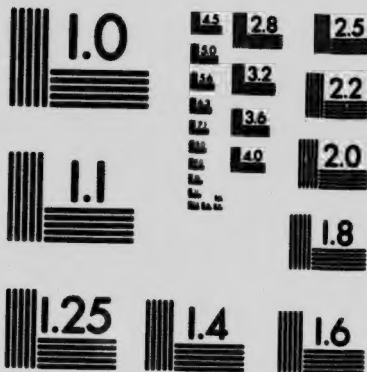




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SPEECH

OF

MR. JOHN CHARLTON, M.P.

ON THE

NATIONAL TRANSCONTINENTAL RAILWAY

OTTAWA, AUGUST 11 and 12, 1903

MR. JOHN CHARLTON (North Norfolk). Mr. Speaker, excuse the slight embarrassment resulting from changing seats, and from my resuming my usual position, from which I shall attempt to enunciate doctrines which are much more to my own satisfaction than those that have been promulgated for the last five hours from the seat which I now occupy.

We are engaged, Mr. Speaker, in discussing a question of very great importance. Never in the history of Canada has a question so important engaged the attention of parliament, and been brought before the people of this country. It is a question which we should attempt to discuss in a spirit of fairness, in a spirit of candour, in a spirit actuated by a desire to promote the best interests of Canada. This is a project which has to do with the future of Canada. It has to do with the future of our country far down in its history, and no individual in this House, no individual in this country has an interest in this matter different from that of other individuals. The interests of all are alike; all are interested in having a policy promulgated and carried out by this government which will be in the best interest of the country. There may be differences of opinion, honest differences of opinion. There inevitably will be such differences, and differences indeed have existed within the ranks of the Liberal party. This question has been discussed in all its phases within the ranks of the party. The most courteous consideration has been given by members of the government to the views presented by the members of the Liberal party with regard

to this project. The policy has been thoroughly threshed out within the ranks of the Liberal party. There is nothing that has been presented here to-day by the hon. gentleman (Hon. Mr. Blair) that has not received consideration, that has not been fully considered and a decision reached with regard to it. The hon. gentleman (Hon. Mr. Blair) tells us that this measure has been urged with unexampled haste, that it has been sprung upon the country without due deliberation. Why, Sir, this question has been under discussion in the country and has received the attention of the public for months; for years almost.

MR. BROCK. Almost.

MR. CHARLTON. Yes, the question of another transcontinental line was dealt with nearly a year ago by the very gentleman (Hon. Mr. Blair) who has been addressing the House to-night.

Some hon. MEMBERS. Hear, hear.

MR. CHARLTON. Yes, and I will read in due time what that hon. gentleman said, and I shall contrast with a feeling of pain the difference between his sentiments uttered a year ago and the sentiments which he uttered to-night. The question has not been sprung without due deliberation; the question has been thoroughly considered. Of course, parliament has been delayed by the consideration of this question; we have remained in session much longer than we would have done if this question had not been under consideration. I have approved of the delay and the country will approve of the delay. The government has

decided not to enter upon a decision as to this matter hastily. They have weighed all the arguments and all the conditions in relation to this case, and they have arrived at their decision after due deliberation. Whether that decision is correct or incorrect it has not been arrived at hastily; it has not been arrived at without full consideration of every circumstance and condition that had a bearing upon the matter.

Some hon. MEMBERS. Hear, hear.

Mr. CHARLTON. My hon. friend (Hon. Mr. Blair) says that the Prime Minister held that the necessity for the construction of this road was imminent, and he presented that statement as a reflection upon the judgment of the Prime Minister, as an evidence that the Prime Minister has acted hastily, as an evidence that the Prime Minister has been influenced by considerations that are not considerations of wisdom, and that in fact, the statement of the Prime Minister for the construction of this road was imminent, is an ill-founded assertion. The hon. gentleman (Hon. Mr. Blair) spoke as though the proposal was either to wait a little while, as he recommends, or to plunge into this project and have the road next year. Why, Sir, we are not to have the road next year; it is not a question as to whether we should have a transcontinental line immediately, but the necessity for it is imminent.

Some hon. MEMBERS. Hear, hear.

Mr. CHARLTON. This line cannot be constructed in less than five years. In the meantime, a great tide of immigration is pouring into the North-west. What will be the condition of things in that country five years from to-day? Its productions will have increased; they may be doubled; they possibly may by that time be quadrupled, and the government is simply taking time by the forelock, taking into consideration conditions not as they exist to-day, but as they will exist as soon or sooner than they can provide the means to meet these conditions. And so, I repeat, that the necessity is imminent. We shall need transportation facilities in the North-west as fast if not faster than they can be provided. Every bushel of wheat that is raised in that country; all the productions of its soil, must find their egress from that country by rail. It is not situated as are the western states of the United States, with great channels of communication, with rivers flowing to the sea, rivers that furnish outlets to commerce; but the productions of our west must reach the tidewater or the great lakes by rail. Our prairie region must have railway facilities for every farmer there is in it, and so the government is not only taking into consideration the circumstances that now exist but the conditions that inevitably will exist. The government has made a reasonable calculation as to what conditions they have got to meet five years from to-day; they have realized that

these conditions will imperatively demand additional transportation facilities, and they have set themselves to work, not with undue haste, not prematurely, but they have set themselves to work at a time when it was necessary to take action and enter upon a course of policy which will result in meeting this emergency when it does arrive.

My hon. friend (Hon. Mr. Blair) in the course of his speech indulged in one remark which possibly, upon mature reflection, and when he is cool, and has a candid moment, he will regret, and that is, Sir, to attribute to this government the desire to please Senator Cox.

Some hon. MEMBERS. Hear, hear.

Mr. CHARLTON. Let my hon. friends on the opposite side cheer. I do not know whether such action is quite consistent with the course they have hitherto pursued, or whether it strikes them as a natural thing to do; but I do think it was an imputation unworthy of the hon. gentleman, applied to the colleagues with whom he had recently acted, and applied under these circumstances, when we are facing a great national emergency.

An hon. MEMBER. A crisis.

Mr. CHARLTON. No, not a crisis. When we are simply taking such action as prudence requires for promoting the interests of this young nation.

Now, Mr. Speaker, I would inquire whether our judgment as to this measure should not be governed by a careful examination into the character of the undertaking? It is a very easy thing to raise questions to befog a case; a very easy thing to appeal to prejudices, to ascribe motives, to bring in Senator Cox and other irrelevant matters. But what we want to examine into on this occasion is this: What is the character of this proposition which the government have laid before this House of Commons? I think, Mr. Speaker, that the proposition is a good one. That is my opinion. I have examined it carefully, and I have arrived at that conclusion dispassionately, simply because an examination of all the conditions bearing on the case forces that conclusion upon me. Other gentlemen may arrive at a different conclusion.

An hon. MEMBER. Sure.

Mr. CHARLTON. Some hon. gentleman says sure. Quite likely many of them will. Their conclusions may be just as honest as mine. Mine may be based on fallacious reasons; the same may be said of theirs. It is for us to sit down calmly and argue out this question, to avoid appeals to prejudice and to party spirit, if that is possible, and to judge this proposition upon its merits. It may be that the hon. ex-Minister of Railways thought he was doing this; but if he did, I do not think he grasped very accurately or very fully the merits of the scheme.

The hon. gentleman chose to make a quotation from the speech of the right hon. leader of the government with regard to the bonding privilege, and to belittle the fears expressed by the Premier—to assert that those fears were groundless, and that it was all nonsense to talk about the danger of the abrogation of the bonding privilege. Why, Sir, said he, the Americans cannot afford to abrogate the bonding privilege; it would injure them; self-interest would prevent them from doing it. Why, Mr. Speaker, the Americans have threatened to abrogate the bonding privilege, not once, not twice, but repeatedly. Whenever friction exists, whenever bad feeling is aroused, one of the first things suggested in the United States is to bring this 'spoiled child,' as Senator Depew characterized Canada, to its senses by shutting it from access to the sea by the abrogation of the bonding privilege.

Mr. ROSAMOND. Nonsense!

Mr. CHARLTON. Nonsense! It is absolute nonsense to suppose that we are not in danger from this source, and it is nonsense to suppose that we are giving evidence of prudence and evidence of thought and care for our interests if we do not attempt to place ourselves in the position where we shall be independent of this threat, if our friends on the other side of the line choose to carry it into effect.

Mr. ROSAMOND. What is the matter with us now?

Mr. CHARLTON. There is nothing the matter with us now. We are going down to the sea all right, and if my hon. friend had his way, we would go to the sea through American channels eternally. What is the matter now is that we want an alternative route; we want to place ourselves in the position where we can defy the application of this threat if it is ever made in the future. The hon. gentleman (Hon. Mr. Blair) who addressed you is loathe to believe, he tells us, that the people of Canada are at the mercy of Americans. We are loathe to believe that. We do not believe it. But we simply want to take prudent steps to place ourselves in the best possible position in our relations with the Americans. We do not want to quarrel with the Americans. If the bonding privilege is abrogated, it will not be abrogated with our consent. They call it a privilege; and they hold that we are beholden to them for this privilege. But it is a privilege they can withdraw. They have threatened to withdraw it. That may occur again, and this threat they may carry into effect.

Mr. ROSAMOND. Not a bit of it.

Mr. CHARLTON. My hon. friend says not a bit of it. Well, he knows the American character better than the most of us. He knows their magnanimity. He knows the generosity with which they have treated this country for the past thirty-five years.

He knows how impossible it is for the Americans to be guilty of such an act.

Now, Mr. Speaker, my hon. friend (Hon. Mr. Blair) characterizes this road as a sentimental road.

Mr. BROCK. Political.

Mr. CHARLTON. I do not know that he characterized it as a political road. He characterized it as a sentimental road. Well, it is a sentimental road. At the back of the proposition to build this road is a sentiment, and that sentiment is the freeing of Canada from the danger of being shut out from access to the sea. That sentiment is the development of Canada upon broad national lines. That sentiment is the building of a transcontinental road from ocean to ocean upon Canadian soil. That sentiment is the carrying to our own seaports, on our own roads, of the products of our own lands. It is a sentimental road. At the back of this road is the loftiest and noblest sentiment that can exist—the sentiment of patriotism, of love of country.

My hon. friend says that the question of profit and loss does not enter into the calculation. Well, we have carefully considered that matter also. While the road is a sentimental road, I think we shall be able to show that the question of profit and loss has received due consideration; and the conclusion we arrive at is that profit on the right side of the ledger will unite with sentiment in justifying the building of this road.

My hon. friend tells us that he would favour the building of a road under certain conditions. He says he would favour a well-considered line proceeded with at the proper time. He intimates that this is not the proper time, and he goes on to say:

Now in the immediate future there is no need of another road not even on the prairies.

Compare this with the speech made by my hon. friend less than a year ago, on the 9th of October, in Vancouver. He had been waited on by the Board of Trade of Victoria two days previous. He had been presented with an address, and the Victoria Board of Trade had in that address recommended government aid to the Canadian Northern Railway for the purpose of securing an additional line across the territory of British Columbia to the ocean. Inspired possibly by that address he made, in a speech at Vancouver on the 9th of October, use of the following language:

There is no country where the soil is more fertile than in the millions of acres in Canada which the plough has not yet touched, and which man has not yet invaded. Railways were necessary to open up these great fertile tracts. If we are to invite the people from the world outside to immigrate here, they have a right to expect that the government can assure them the means of transportation. That means a great many railways in many parts of Canada and we feel as a government that we have ample justification in going to all reasonable lengths

to meet this need. The tide of immigration was just setting in full and strong towards Canada particularly from the south, and he believed the time was near when there would be a greater immigration than ever before to Canada from the motherland. This influx of settlers, he said must bring its problems.

It meant an increase of soil production and necessarily of means of transport. We cannot long remain content with only one transcontinental line. I am ambitious myself to see another right away. It cannot come fast enough to satisfy me, and I am doing all I can, in my small way, without public pretense about it, to insure its construction.

How does that compare with the language used by the hon. gentleman to-night? Has he come around, after giving utterance to these sentiments, to the position that we are using undue and indecent haste in spending a few months in perfecting a scheme to construct a road which cannot be ready for use before four or five years.

We have the hon. gentleman's words quoted also in the 'Daily News' and 'Advertiser' of Vancouver. He is there reported as saying:

This influx of settlers he said must bring its problems. It meant an increase of soil production and necessarily a means of transport. We cannot long remain content with only one transcontinental line, I am ambitious myself to see another right away. It cannot come fast enough to satisfy me, and I am doing all I can in my small way, without public pretense about it, to insure its construction.

Then there is another report of the same speech in the 'Daily Province' of Vancouver. I quote these three in order to avoid the charge that the speech was not revised by the hon. gentleman and that his sentiments were not correctly reported. This report says:

We cannot long remain content with only one transcontinental line. I am ambitious myself to see another right away. It cannot come fast enough to satisfy me, and I am doing all I can in my small way, without public pretense about it, to ensure its construction.

These were, I think, sound sentiments, and I endorse them. It is unfortunate that there was a difference in tone and in position compared with the position occupied and the language used by the hon. gentleman to-night. I am at a loss to account for the discrepancy. I would hardly suppose that the hon. gentleman could have had so radical a change of views in eight or nine months, as he has shown by his speech to-night compared with his speech of October the 9th last. It has been suggested to me that, in quoting from these newspaper reports, I have overlooked something. I find that the hon. gentleman gave utterance to the following sentiments in Vancouver:

There are young men, perhaps middle aged men, who are listening to me who will see three or four transcontinental lines running through Canada. And they will not see more than enough.

Three or four transcontinental lines, and these will not be more than enough. Well, Mr. Speaker, I am at a loss to account for the difference in these expressions of opinions as indicated by these quotations and the speech of the hon. gentleman to-night.

Mr. HUGHES (Victoria). You would want to read the whole speech.

Mr. CHARLTON. I have read the essential part of it and will take another occasion to read the rest of it. There are some expressions in my hon. friend's speech, which perhaps indicate something that was not fully revealed, but persons skilful in such business may read between the lines and draw inferences. He says:

As Minister of Railways I was entitled to know what was going on, I was entitled to know what the Premier of the Dominion thought about the matter, what he was doing about it. I was entitled to be consulted from day to day and step by step, if I was not entitled as Minister of Railways to dictate which course should be pursued.

Again he said:

No Intercolonial Railway official was consulted about this matter.

I do not know what this means. It is not possible, I presume, that pique would have induced my hon. friend to resign. It is not possible, I apprehend, that a feeling of indignation because he thought he had not occupied that prominent position in shaping affairs in the councils of the state to which he believed he was entitled, could have influenced his conduct, but it was unfortunate that he introduced these illusions to the fact that he had not been consulted. Comparing his remarks to-night with his speech of eight months before, one is naturally led to look to some reason besides the one given that he left his position as minister of the Crown because the government had adopted a scheme for another transcontinental railway, much less radical and objectionable than the one he had proposed and advocated. He tells us in his speech that we want no railway, that there is no demand for it. How does that compare with his speech in Vancouver, where he tells us that we want railways to open up unoccupied territory, so that we may invite immigration? The two positions are radically and diametrically opposed to each other. No demand for a railway through unpeopled regions? I think I have heard that in the old Canadian Pacific Railway time. I think we ourselves made the mistake of using the same language, and I think we paid dearly for our lack of comprehension of the position of things. And we are not going to be led into that trap again. We are not going to take advice that will lead us into a line of action of which we have such unpleasant remembrance. The hon. gentleman tells us that there is no demand in Quebec for a

transcontinental railway. Who promoted the project of the trans-Canadian line? Was it a popular scheme in Quebec? Had it no backing, no popular support there? Why, Quebec was unanimous in favour of the transcontinental line, and the hon. gentleman's statement is absurdly unfounded. And, I may remark parenthetically, we are adopting a scheme that disposed of the trans-Canadian project with its demand of enormous subsidies in cash and land in favour of which there would have been pressure which it would have been difficult to resist.

Mr. CLANCY. How?

Mr. CHARLTON. How is such pressure brought to bear? Is my hon. friend (Mr. Clancy) a novice in political matters? Has he been living in the cool shades of opposition so long that he has forgotten everything except what is true and righteous and in complete accordance with the principles of the moral law? Mr. Speaker, when the speech from the Throne was delivered, my hon. friend (Hon. Mr. Blair) was a member of that ministry. That speech foreshadowed a transcontinental road. We had not reached, at that period, a definite conclusion as to how this thing was to be proceeded with, but there was a broad statement to the effect that a transcontinental line was deemed to be a necessity, and the government was about to proceed to consider the best method to adopt for the construction of that line. Why did not my hon. friend resign then?

Hon. Mr. BLAIR. We got 600 miles of it authorized this very session. That is the thing that was in my mind.

Hon. Mr. CHARLTON. Now, the burden, of my hon. friend's speech was the question of government ownership. And I give the hon. gentleman credit of having honestly, energetically and without deviation advocated that principle of the construction of the road by the government. And I have this to say with regard to that matter, that I sympathized with that view myself. But I did not consider that my own views were entitled to be accepted by the government, as the ex-Minister of Railways and Canals evidently did in his own case. I presented my arguments in favour of that scheme and those arguments were received with courtesy and given careful consideration. Then I heard the arguments against the adoption of the scheme, and I felt a little doubt whether I might not have been mistaken. And had my ideas been adopted, and had I been responsible for the adoption of that scheme, I should have trembled for the consequence, and, no doubt, should have regretted it was done. Government-ownership has a seductive appearance. It appeals to the imagination. It would be a bold policy. It would be just the thing for this country, granted two or three conditions. The first condition is separation, total

separation from political management of the road. The second condition is honesty of construction. The third condition is honesty and efficiency in the management on the basis of a well organized and well arranged railway. If we could have all these conditions, government-ownership would be a good thing in my opinion. But the danger is that we might not be able to secure these conditions. The members of the ministry possibly in arriving at a conclusion on this matter may have had the Intercolonial road in view and may have had some doubt, owing to the results of the management of the Intercolonial, whether it was best to extend the principle further. And I presume their doubts were well founded. Now, the hon. gentleman tells us that in his opinion we should have proceeded in a leisurely, careful, conservative manner. First of all, we should have secured an appropriation for surveys. Then we should have gone on and made the surveys, then, in due time, at the expiration of a couple of years, we might have proceeded with the construction; and, at the end of the next decade, probably, we would have had the road completed. And in the meantime, the congestion in the west would unquestionably have made us sorry that we had not got it sooner.

Now, with regard to exploration, we should not fall into the error of supposing that we are entirely without information as to the country through which this road will pass. We have a great amount of information. We have not actually located the line; we have not actually taken the level? But we know what the general character of the country is between Quebec and Winnipeg north of Lake Nepigon. We have one survey made by Sir Sanford Fleming from the head of the Montreal river north of Lake Nepigon to Winnipeg. He tells us that it is a highly favourable line, with no grades more than one per cent and no bridges more than 300 feet in length and only a few of them; that the country is a level one and highly favourable for railway construction. With regard to the country east of the commencement of that survey to Quebec, we have abundant information which shows that it is of the same character as that reported on by Sir Sanford Fleming. This great country north of the height of land offers few impediments to railway construction. We know enough of the general character of that country to warrant us in definitely entering upon the scheme of constructing that railway. Then, with regard to the country from Winnipeg to Fort Simpson, through the Peace River Pass, that country has been traversed again and again not only by explorers but by engineers. The character of that country is thoroughly well known. For the whole territory from Winnipeg to Fort Simpson by way of Winnipeg, the government is in possession of all the information that is necessary to warrant it in embarking upon a scheme for the

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construction of this road. While they could not tell with definite accuracy what the road would cost, they could make an approximate estimate that would be within the cost per mile, and they knew definitely the character of the obstacles to be overcome in the building of the road.

Hon. Mr. HAGGART. Where is that information? There has been no survey from the head of Lake Nepigon to Winnipeg.

Mr. CHARLTON. It is contained in a report of Sir Sandford Fleming. I think it is route No. 3. I will be happy to send the volume up to my hon. friend, I have it down at my room.

Hon. Mr. HAGGART. The hon. gentleman will find on looking at it that it is the route from the head of Lake Nepigon down to Lake Superior, not from Lake Nepigon to Winnipeg.

Mr. CHARLTON. My hon. friend is mistaken. Surveys were being made for the purpose of securing a route to Winnipeg, to Red River from the east, and this was one of these surveys, embracing the country between the head of Montreal river and Winnipeg, and passing north of Lake Nepigon, with a description of the character of the country north of the height of land. Now, Mr. Speaker, my hon. friend—I am going somewhat discursively over the notes which I made at random while he was speaking—my hon. friend tells us that the idea of developing a large lumber business from this country between Quebec and Winnipeg for the supply of the prairies, is illusory; that the British Columbia lumber is much handier, and consequently we cannot expect to do very much lumbering from the east of Winnipeg. I have been over to Vancouver a few weeks ago, and being a lumberman myself, I naturally looked into that business a little. I found that nearly all the lumber manufactured in New Westminster, Vancouver and at all points in British Columbia accessible to a railway for transport to the prairies, went up through the canyons of the Fraser and the Thompson, went over the heavy grades between Kamloops and the Columbia, went over the Selkirk Mountains, went over the Rocky Mountains, went up the Kicking Horse grade, a grade of four per cent, where it takes a powerful locomotive to go up with three cars, and went out to the prairies at great cost. With a well equipped road of easy grades we can reach the prairie section with lumber from all parts of the region that this road will open in Ontario; and from the western portion of Quebec, we can reach the prairies, in my opinion, as cheaply as the lumber from Vancouver reaches that destination. A railroad man, if you ask him about the capacity of a road, and whether its capacity for business is measured by the length of the line, will tell you, no; he will answer that it is measured by the length of the line and by the steepness of the grades. The grades over the

Selkirk mountains are 120 feet to the mile, over the Rocky Mountains 200 feet to the mile for four miles, and 120 the rest of the mile. These grades are equivalent to adding four miles to the length of every single mile of the road. So the assertion that we cannot reach the prairies with lumber from this hinterland of ours, is not well founded.

Now, he tells us that we know nothing of this country. Ten exploring parties were sent out last year by the Ontario government for the purpose of ascertaining the character of this country north of the height of land in Ontario; and the report of these parties was to the effect that in Ontario, in that region of which we previously knew comparatively nothing, there are sixteen million acres of land in what is termed the clay belt, of good productive land, of rich land, with a climate which fits it for agricultural operations, land which lies south of the latitude of Winnipeg, every acre of it; sixteen million acres have been discovered already, and it is useless to talk about a road passing through a howling wilderness where there are no sources of business available, a road will run the whole 1,300 or 1,400 miles from Winnipeg to Quebec without having any local business whatever.

Then, the hon. gentleman comes down to the question of running rights, and there he has a point on the government—running rights over the roads, one road giving another road a right to use its road-bed. He refers to the sections that grants these running rights, particularly section 24, and he tells us that this whole thing is a delusion, he makes merry over it. Why, he says, the absurdity of supposing that a railroad is like a wagon road, that you can set a train on it as you can put a wagon on a wagon road and run it to its destination. Why, the supreme absurdity of it. He tells us that the Premier knew nothing of what he was talking about, that the thing could not possibly work. Then he gave himself away a few moments later by saying that when the system went into operation the Grand Trunk Pacific would take advantage of other lines that were making use of the road and would not give them fair-play in the adjustment of the rules and regulations, and the despatching of trains. Now, Mr. Speaker, pullman cars run all over the United States and Canada without any reference to a particular railway. A pullman car will often traverse three or four different lines without a change of porter, without a change of passengers, without any change whatever. A car will go from Boston to Chicago, it will go perhaps from Boston to San Francisco, pullman car after pullman car, traversing a great number of different lines. Freight will go in the same way. One of the great reasons for securing uniformity of gauge was to avoid the necessity of breaking bulk. Formerly we had a five foot gauge, a six foot gauge, a three foot six inch

gauge, a four foot eight and a half inch gauge; and wherever one of these roads connected with another having a different gauge, the freight had to be transferred from one car to another, had to break bulk, as it was termed. Now, by uniformity of gauge, there is no breaking of bulk. A freight car is loaded at Los Angeles, or San Francisco, or Portland, and it goes through to New York, or Chicago, or Boston, or wherever its destination may be, without breaking bulk; and then it goes back again, perhaps loaded and perhaps empty. The business of running two roads over the same track has been demonstrated, and it is successful. I live on the air line of the Grand Trunk Railway, a line of road extending from Buffalo to Detroit 229 miles in length. That road is operated by the Grand Trunk and by the Wabash. The Wabash sends its through trains from Chicago, from Kansas City, from St. Louis, over that road to Buffalo and back again. It sends its freight trains over that road, the Grand Trunk Railway does the same. They have their running arrangements, a joint system of despatching; agents at stations are paid by each company according to the volume of business that each transacts, and repairs are kept up in the same way. There is no hitch, there is no friction. They change engines on that route, they have a division 110 miles long from Detroit to St. Thomas, and a division of 119 miles long from St. Thomas to Niagara Falls or Buffalo. Each road has its engine house, each road has its repair shops, and they can work them jointly if they choose. They have their joint system of despatching, and of payment of expenses. That system of things has been operated for three or four years, operated successfully, operated without the slightest friction at all, operated to the advantage of both these companies. They use the same bridge going into Buffalo, everything in common, the respective expenses arranged amicably between the roads. The Flint and P  re Marquette road, which is a Michigan system exchange their traffic at St. Thomas with the Michigan Central. They send their freight trains over their own road from Walkerville to St. Thomas and over the Michigan Central to Buffalo. They have a joint arrangement in the matter of despatching and the whole arrangement is working harmoniously, efficiently and to the satisfaction of both parties. The hon. gentleman has not been Minister of Railway and Canals long enough to learn his trade. He has not been Minister of Railways and Canals long enough to learn some of the elementary principles of the business.

THE MINISTER OF MILITIA AND DEFENCE. The Canadian Pacific Railway runs over the Intercolonial Railway between St. John and Halifax.

Mr. CHARLTON. Yes, and the hon. ex-Minister of Railways and Canals admitted that the Canadian Pacific Railway ran over

the Grand Trunk Railway line from Toronto to Hamilton, but he said there was no change of engines and that they could consequently work that arrangement. If you can operate a road 229 miles long with two divisions and a change of engines between, you can have twenty changes of engines and work it satisfactorily. All you have to do is to have your despatching system properly organized and make your arrangements for the use of the road. In this instance the government steps in and acts as an arbitrator, and if any attempt is made to take an unfair advantage on the part of the Grand Trunk Pacific Railway, the government can see that the stipulations of this contract are carried out.

Hon. Mr. HAGGART. You want the same parties to own the roads?

Mr. CHARLTON. No, the same parties do not own these two roads that I am speaking of. The Grand Trunk Railway owns the road and the Wabash Railway operates its trains over it.

Hon. Mr. HAGGART. The same parties, the New York Central, the Canadian Southern and the P  re Marquette own the road that the hon. gentleman is talking about.

Mr. CHARLTON. The same parties do not own the road. The P  re Marquette, the Canada Southern and the New York Central do not own the road. The New York Central has the Canada Southern leased, and the Flint and P  re Marquette road is entirely independent of both.

Mr. LOGAN. Another ex-Minister of Railways and Canals who has not learned his trade.

Mr. CHARLTON. The hon. gentleman (Hon. Mr. Blair) wants to know why we cut off government ownership at Winnipeg. Why put this section of the road west of Winnipeg on a different basis from the section east of Winnipeg? In one sense the government has the same control over the western division that it has over the eastern division. The arrangement secures to other roads the same rights from Winnipeg to Port Simpson as from Winnipeg to Quebec. It gives these privileges to every road from ocean to ocean and the government exercises similar control in this matter. That is one of the conditions of the contract, but the government retains ownership in the eastern division while it leases the road to the Grand Trunk Pacific Railway. Why does it retain it? Winnipeg is the great converging point of all the roads in the North-west Territories. Here the trade of that country concentrates and will do so for a long time to come if not perpetually. The government constructs a great trunk line from that point to tide-water, to an ocean port, for the purpose of securing Canadian trade for Canadian ports, and it does so because this is the great main artery into which will be poured, and over

which will run the trade of the Grand Trunk Pacific Railway, of the Canadian Northern Railway, perhaps, and the Canadian Pacific Railway, possibly, and of any road that wishes to use it. Its use is free to all upon equal and equitable terms, and the reason for government ownership as far as Winnipeg is that Winnipeg is the great converging point, the great entrepot where the trade of the North-west Territories will concentrate and where the government road will bid for the transaction of the whole of the trade, or as much of it as it can do without reference to the other companies whose trains may run down over this road.

Hon. Mr. HAGGART. Hear, hear.

Mr. CHARLTON. My hon. friend (Hon. Mr. Haggart) says 'hear, hear.' I think that is perhaps a good reason for having the road. The motives are all right and it remains to be seen how much traffic we can get for the road, but we cannot get anything unless we try. If we are to attempt to secure business for our own seaports we must provide a road to get there.

My hon. friend (Hon. Mr. Blair), at this stage of his speech entered upon the Intercolonial Railway question. He really feels sore over that. The Intercolonial Railway is no doubt a pet with the hon. gentleman, and the brilliancy of the management of the road, of course, entitles him to feel doubly interested in its welfare. The people's money, he tells, will be squandered by the construction of a rival line, but he neglects to tell us that the Grand Trunk Pacific Railway promoters were in favour of building their short line, and making Moncton their eastern terminus and that they moved for this in the Railway Committee. He tells us that the building of this new line will save a very few miles of distance, that it will have heavier grades, that it will in every other respect be a less desirable road and that the whole thing is a supreme act of folly. I have never been over the line. He tells us what an excellent road the Intercolonial Railway is, how much business it is capable of doing, and in the next place he tells us that if we took some of this money that we are to expend on the short line and reduced the grades on the Intercolonial Railway, making it a first-class road, it might be able to do the business. What are the grades on the Intercolonial Railway? There are 62½-foot grades and 50-foot grades to the mile. No road can claim to be a first-class road with grades more than one-half per cent or 26 feet to the mile. In the construction of this short line and in the construction of the line from Quebec to Winnipeg it should be an absolute condition that the road should be first-class in point of grades, in point of construction and in point of weight of rails. The rails should not be less than 90-pound rails, and the grades should not be

more than four-tenths per cent, and if these conditions are complied with this road will compete with a water route or anything else. The object of the building of a short line from Chaudière Junction to Moncton is to correct the costly mistake that the country made when the Intercolonial Railway was constructed, and I regret not the correcting of the mistake, but the making of the mistake. All first-class railways in America for the last ten or fifteen years have been spending enormous sums of money in correcting the mistakes made in their first construction. The Pennsylvania, New York Central, the Grand Trunk Railway, and other first-class roads that I could name, have been pumping out money like water, quietly, without observation, for the purpose of reducing grades, correcting the alignment, taking out curves, and increasing the power of the road to do business and earn money. The Canadian Pacific Railway has built a short line from Ottawa to Montreal. It had a line already north of the Ottawa river. Why did it do that?—because it was necessary.

An hon. MEMBER. No sentiment there.

Mr. CHARLTON. No sentiment there. It was business, it was necessary to have the best conditions they could obtain in order to secure the business. Why should we shorten, straighten and improve the Intercolonial Railway? It is simply because we have set out with the purpose of securing trade for our own seaports, and if we are to secure that trade we must have the best obtainable conditions with regard to our lines of transportation. We must not have to go away around by the sea 120 miles further than a short line would take us; we must not have grades of 62½ feet to the mile, but we must reduce the distance, reduce the grades, improve the efficiency of the road and secure the necessary conditions so far as it is possible to do so, in order to get the trade that we aim to get. That is why we dealt with the Intercolonial Railway. But the whole question is befogged by the course which the hon. gentleman (Hon. Mr. Blair) has pursued in talking about this line and that line, and about one line being 10 miles longer than it was represented to be, and about crossing so many gullies, and about this and that difficulty to overcome. We have got to overcome these difficulties; we are putting that road there for a specific purpose, and that purpose is to increase the capacity of the road, to reduce the cost of the transportation of the products of the west to our maritime seaports.

Some hon. MEMBERS. Hear, hear.

Mr. CHARLTON. That is the object we have in view. The hon. gentleman (Hon. Mr. Blair) tells us that the Intercolonial will have no business in case this is done except in the winter. Well, I do not suppose

it ever had a local business that was a marked source of revenue to it. It is to be regretted that it was put where there was no business to do, and no particular use for a railway, and we have been pottering along with that road and paying deficiencies long enough, and now we want an efficient line of railway.

Hon. Mr. BLAIR. When does the hon. gentleman think I made that statement?

Mr. CHARLTON. What statement?

Hon. Mr. BLAIR. The statement the hon. gentleman has just attributed to me.

Mr. CHARLTON. What statement?

Hon. Mr. BLAIR. That the Intercolonial Railway had no local business.

Mr. CHARLTON. Except in the winter—would have, I said, in case this other line was built. The hon. gentleman (Hon. Mr. Blair) misunderstood me. The statement the hon. gentleman made was that in case this short line was built the Intercolonial Railway would have no local business except in the winter.

Hon. Mr. BLAIR. I said that this line would have no ocean shipping business except in the winter.

Mr. CHARLTON. That is the Intercolonial Railway.

Hon. Mr. BLAIR. Oh, no; the new line.

Mr. CHARLTON. I suppose that is so. I suppose it is intended that this transcontinental line shall lay down the products of the west at Quebec during the season of navigation, and when the harbour of Quebec is closed it is the intention to carry that trade to Halifax and St. John, and for that reason we want a good road.

Some hon. MEMBERS. Hear, hear.

Mr. CHARLTON. It has not been asserted that we are going to carry grain to these maritime ports while the port of Quebec is open, but Quebec is to be our national port, and while it is open it will do the business that the transcontinental line brings to it.

Now, I think the trouble with my hon. friend (Hon. Mr. Blair) is that his view is somewhat circumscribed. He has not yet got out of provincial ideas and a provincial range of vision; he has not ceased to be provincial; he has not become continental in his aspirations, in his desires, in his grasp of affairs. We regret that the Intercolonial Railway will be injured by this new line; we regret that it is necessary to spend some millions of dollars to rectify the costly mistake that was made years ago, but we are dealing now with a question of national importance. We are dealing with a question that is national in all its bearings; we are dealing with the question of securing for our own seaports the business that would naturally go to the seaports of another country, and whether we can do

it or not I cannot venture to say, but I do venture to say that we cannot do it unless we construct roads of the very best character with the lowest possible grades.

In regard to that matter, as I was going over to Vancouver a short time ago I sat in the rear car of the train as we were passing north of Lake Superior, with General Manager McNicol, two or three American railway magnates and a number of railway men, and the discussion turned upon the question of water transportation versus transportation by rail. The subject of discussion was whether railways could be made to compete with water carriers, and Mr. McNicol stated that if the Canadian Pacific Railway over which we were passing had grades of four-tenths per cent per mile (that is 21 feet and a fraction) and some improvement in its alignment, that it could do four times the business it was doing now, and that it could compete with the water route.

Now, Sir, if we build a line from Winnipeg to Quebec, say 1,400 miles long, and if we can secure four-tenths per cent grades; if we lay that road with 90 pound rails, if we put bridges upon it that will carry the heaviest locomotives and trains of cars, each car carrying a load of 50 tons, we can carry, in my opinion, grain from Winnipeg to Quebec for 12 cents a bushel and perhaps even less. The lowest rate that I have known for grain from Chicago to New York was 12 cents per hundred, or seven and two-tenths cents per bushel for a distance of 1,000 miles. Now, if it can be carried at that rate with a profit, and I don't suppose it was carried at a loss, it is a reasonable calculation to suppose that we could carry grain over this road for 12 cents a bushel, if it is the right kind of a road. But if it has 50 feet grades to the mile; if it has a light rail, if it is a second-class road we can secure no business, we cut ourselves off from the conditions that are necessary to secure business, and so we must bear that in mind when we are building this road.

My hon. friend (Hon. Mr. Blair) in the course of his remarks had a thrust at the Globe. He stated that the Globe had an article which said that when this new road was built there would be freight trains and passenger trains on the road passing each way in embarrassing abundance. Well, it is a matter of conjecture, of course, as to what kind of business this road might do. The writer of that article perhaps looked into the future, and he saw Canada with vast developments, with a great increase of population, with a great increase of production, with a great increase of business, with business largely attracted over the transcontinental line, and perhaps his forecast of the future was not so extravagant after all. We do not know what the result may be; we have been guilty, constantly guilty, of underrating the capacity of our country. This gentleman perhaps over-

rated a little, but we cannot tell, and I would rather have speculation in that direction than in the other.

Now, I do not know but that perhaps my hon. friend (Hon. Mr. Blair) would have looked with a somewhat greater degree of favour upon this scheme if the road had gone to St. John, and it would perhaps have served the purposes of the country just as well if it had. I do not know as to that, but the government were bound, in my opinion, to adopt a course that was fair and impartial. They could not properly discriminate between Halifax and St. John in favour of the one and against the other, and they have adopted a plan which will serve the purposes of both, and if St. John wants to meet these conditions for reaching this business, let them promote the construction of a road up to this short line and nobody will have any objection to that.

Mr. TUCKER. There is a road to Chipman now.

Mr. CHARLTON. Let that road be improved and made first-class, and let them get the business at that point. The government, I think, acted with perfect propriety in placing the eastern terminus of the road at Moncton, from which point both St. John and Halifax will be accessible, though the advantage in distance will be in favour of St. John.

Mr. TUCKER. It increases the distance to St. John 89 miles.

Mr. CHARLTON. Well, you want to cut that off. Now, Mr. Speaker, a good deal of criticism has been indulged in by the hon. gentleman in regard to the increase of our debt. We are to add \$15,000,000 to it by the construction of the section, from Moncton to Chaudière Junction, and untold millions by the construction of the line from Quebec to Winnipeg, and by the guarantees of the line west of Winnipeg. I did not hear the hon. gentleman make anything of the fact that this was in reality a mere lease to a railway company, and that the company was to pay interest on the cost of the line. We shall have some little burden on the country, of course. We shall have interest to pay for seven years on the cost of the line from Moncton to Winnipeg, and probably some little interest to pay on our guarantee of a portion of the cost of the line west of Winnipeg. All this may amount to \$14,000,000 or \$15,000,000; but that is a small consideration in comparison with the benefit to the country resulting from the construction of this trans-continental line.

The hon. gentleman refers to the premier's statement with regard to this road as a national line, and intimates that the premier paid no attention whatever to the commercial side of the question—that this had no bearing with him, but that the national consideration wholly governed his course in the matter. This was not a fair

presentation of the views expressed by the premier. The premier did, as he was entitled to do, lay due stress on the importance of the construction of this road from a national standpoint, for the purpose of having a railway on our own soil from ocean to ocean. He took high ground in that respect, a ground which I think the country will support him in taking. But he did not lose sight of the commercial aspects of the case—far from it. While dwelling on the national importance of the road, he pointed out at the same time that its commercial results would be in the highest degree important and satisfactory.

The hon. ex-Minister of Railways enters into a financial statement with regard to this road, and estimates its cost from Moncton to Winnipeg at \$35,000 per mile. Well, it is impossible to say whether that estimate is a correct one or not; the probability is that it is excessive. You must bear in mind that this is a question of the construction of a railway without equipment. The cost of equipment adds very largely to the cost of a railway line. This line is simply to be constructed and handed over to the Grand Trunk Pacific Railway Company, and that company is to place the equipment upon it. I do not believe that this road will cost over \$30,000 a mile from Moncton to Chaudière Junction, and I doubt very much that it will cost more than \$30,000 per mile, or even that, from Quebec to Winnipeg. The hon. gentleman, in reckoning the burdens that will rest on the government in connection with the guarantee of the western section, assumes that the government guarantee will amount to the cost of building the road. He overlooks the fact that the guarantee of the government is to cover merely three-fourths of the cost of the road, and that when the government advances this guarantee, it takes over the security of the road and its equipment, including what the company has put into it, so that the security is ample.

The hon. gentleman refers at some length to the question of the stock. What is there about this stock question? There is to be \$45,000,000 of stock. Of that, \$20,000,000 is to be preferred stock, which goes into the equipment of the road, and \$25,000,000 is to be common stock. The hon. gentleman would lead us to suppose that that will all go into the pockets of the shareholders and directors. What will it be used for? Why, Sir, the company will require money with which to build elevators, to improve the road, and for various purposes in connection with the operation of the road. It will require money to carry out its stipulation with regard to providing vessels and shipping facilities at each end of the road. That is what that stock is set apart for—\$20,000,000 of preferred stock for equipment, and \$25,000,000 of common stock to be used for these various purposes to which I have referred.

The hon. gentleman regrets that it is not the Grand Trunk Railway that is going into the west, but the Grand Trunk Pacific Railway. Well, it strikes me that there is a distinction without a difference. I think we shall be thankful if we get the Grand Trunk Pacific Railway into the North-west, with the stipulations and conditions with which it is hedged round—with all these stipulations which place it absolutely in the hands of the government, as to the operation of the road, as to its maintenance, as to providing facilities at each end of the road for the transaction of business, and as to not discriminating against Canadian ports and in favour of American ports. The hon. gentleman asks what that condition about discrimination amounts to. He says the company will send their agents through the North-west, and will quietly secure freight and have it shipped with their own connivance to American ports. Well, this company enters into a solemn agreement not to discriminate against Canadian ports. But he tells us that we have no penalties by which we can enforce the fulfilment of this agreement. Is the whole thing ended when this Bill passes? We have to go on and perfect the conditions by a lease; and what does this agreement say in regard to that? It says:

The said lease shall also contain such other covenants and provisions, including proper indemnity to the government in respect of the working of the railway, as may be deemed necessary by the government to secure the proper carrying out of this agreement.

Does not that cover the ground? The hon. gentleman surely could not have read that. The government have a most carefully prepared agreement here. After reading it over and over again, I cannot see any point that has been neglected. I pronounce it a perfect agreement. The time that has been devoted to the perfection of this scheme has not been mis-spent or wasted.

Now, Mr. Speaker, I have got through with a sort of rambling criticism of my hon. friend's speech, and I have my own speech to make yet. As it is now a quarter to eleven, and as the newspapers have not been able to insert anything that has been uttered here for the last hour, I beg to move the adjournment of the debate.

August 12, 1903.

Mr. JOHN CHARLTON (North Norfolk). Mr. Speaker. At the close of my remarks last evening I had very nearly finished my review of the speech of the hon. the ex-Minister of Railways (Mr. Blair). I have only a word to add to what I have already said in that connection. I have thought over the position of that hon. gentleman; thought it over carefully, and I am obliged to arrive at

the conclusion that there was no sufficient reason for the course that he has taken. When I contrast his declarations in his speech made in Victoria last October, in which he asserted that we wanted another transcontinental road, that we wanted it right away, that we wanted to penetrate and open up new districts of country in the North-west and fit them for settlement—when I contrast that with his statement of yesterday: that we do not want a transcontinental road now, that we should delay in proceeding with the construction of that road, that the government were proceeding with indecent and reckless haste in the matter; the two positions are irreconcilable, entirely irreconcilable. He puts me in mind of a story I read a few years ago as to the great riot in Chicago. A United States regiment of regulars who had been engaged in a winter campaign under General Miles against the Sioux Indians, were on their way to quarters in the east where they were to be granted a respite from their labours. They were ragged and toll-worn but they were veterans evidently, and as they were drawn up in line a person on the side walk said to the soldier nearest to him: you would not shoot us fellows would you? He replied: I would not unless the captain told me to. Now, the difficulty with the ex-Minister of Railways is that he did not shoot when the captain told him to. It is necessary to have discipline in an army, it is necessary to have discipline in a party. Individual men may have very strong individual opinions—I belong to that category myself—

Some hon. MEMBERS. Hear, hear.

Mr. CHARLTON. But it is unreasonable for an individual to suppose that a party must accept his opinions and act upon them, and it is in the highest degree injudicious for that individual to kick over the traces because he cannot govern the party, for, in doing that, he destroys what little influence he might otherwise possess, and that is what my hon. friend the ex-Minister of Railways and Canals, I fear has done.

Now, as I have said, there is no radical difference between the policy that the hon. gentleman (Hon. Mr. Blair) advocates, namely a government road; there is no radical difference between that policy and the policy adopted by the government, of a road partly of government construction, partly aided by the government, leased by the government to a private corporation, a road destined to serve the same purpose under the arrangement that is made that a road would have served if it had been strictly a government road—I say there is no radical difference between these two propositions; no difference so radical between them as to warrant the hon. gentleman to resign his position as Minister of Railways, and to go against the government as he did most unmistakably and most bit-

terly yesterday. His position yesterday, lacking as it did that dignity which ought to pertain to the position of a gentleman who resigns on high patriotic and moral grounds, and the bitterness of his attack convinced me that there is something beneath and beyond the ostensible reason assigned for his leaving the cabinet.

Some hon. MEMBERS. Hear, hear.

Mr. CHARLTON. I repeat what I said last night, that the hon. gentleman in the course of his remarks gives us a clue to his feelings in regard to this matter, a clue to his action in this matter, when he tells us that he was not consulted, that no official of the Intercolonial Railway was consulted, that the government forsooth, that the Premier of this country and his advisers proceeded to organize and arrange a policy about which the hon. gentleman was not consulted and which he did not approve of. I imagine Mr. Speaker, that when that hon. gentleman resigned, he had arrived at the conclusion that he would make the captain shoot at his command instead of shooting at the captain's command.

Some hon. MEMBERS. Hear, hear.

Mr. CHARLTON. And the outcome was that the captain did not shoot, and that the rebellious member retired from the ranks, and he is out of the ranks. I am sorry for the whole incident; I am sorry that the ex-minister (Hon. Mr. Blair) should have thought so highly of his own individual opinion; should have decided that it was necessary for the government to accept his opinion and act upon it, and that if the government failed to do so he would leave the government in the lurch. Well, he has left the government in the lurch, if being deprived of the hon. gentleman's sanction could place them in that position. Now, Sir, the hon. gentleman (Hon. Mr. Blair) devoted a large portion of his speech to the Intercolonial Railway. As I said last night, I shall leave the detailed discussion of that matter to gentlemen better acquainted with the condition of affairs in the maritime provinces than I am myself. Still, it is patent to me, and must be patent to any person who has a fair knowledge of the situation, that the hon. gentleman in his criticism upon the policy of the government with regard to the Intercolonial did not take the pains to put us in possession of all the facts. He laments the ruin of the Intercolonial. He laments that we did not adhere to the policy of attempting to create a business for our maritime ports by using a second-class road with an unnecessary mileage of from 100 to 140 miles, with heavy grades, and one that we know cannot fulfil the conditions that we must expect of it if the scheme of the government is to be made a success. He did not tell us that the Grand Trunk Pacific and the Grand Trunk are separate and distinct corporations. He did not tell us that

the government had a contract with the Grand Trunk for 99 years to turn over to the Intercolonial at Montreal all freight the road brings to Montreal designed for points east of Quebec. The Intercolonial cannot be deprived of the business, one of the largest items of business it possesses. He made no calculation as to the great accession to this road of business at Moncton for Halifax and St. John. If the straightening of its line, if the reducing of its grades, if the increase in its capacity, which are making it first-class and shorter, will lead to bringing from the west of a large amount of grain for shipment at maritime ports, the Intercolonial must share in the benefit. The Grand Trunk Pacific ends at Moncton. There are 183 miles of the Intercolonial road to share in the business that will come to Halifax; there are 80 miles from Moncton to St. John to share in the business. The gross business of the Intercolonial will inevitably be increased by the construction of this short line, owing to the large increase of traffic between Quebec and the maritime provinces; and there is besides the retention to the Intercolonial of the trade which I have mentioned that pertains to it and that cannot be taken away from it. I will not dwell further upon the position taken by the hon. gentleman; I will not criticise further his statements.

As I said last night, I have a line of argument to present with relation to this scheme of the Grand Trunk Pacific which I propose to enter upon briefly at this stage of my remarks. As to the question whether we need another transcontinental railway, the question has been answered by the ex-Minister of Railways (Hon. Mr. Blair) at Vancouver. I can quote him as an authority. According to him, we need the road and we need it quickly. It cannot be proceeded with too soon. He said on that occasion that men were standing in the audience who would live to see three or four transcontinental lines across the continent. I have no doubt he was right. At all events, the construction of this road is not premature. We must bear in mind the fact that we cannot get this road at once. We are taking the initiative steps now towards getting it. We have to proceed with surveys, we have to locate the line; we have to proceed with the construction of a road 3,030 miles long in an air-line, and it cannot be done at once. It will take several years to do it. In the meantime, population is pouring into the North-west, new acreage is being brought into cultivation; its prolific soil will furnish a large harvest every year, and at the time this road will be completed, it will be a crying necessity. We have undertaken its construction none too soon. I estimate that five years from to-day with a continuance of the conditions that exist now, the grain products of the Canadian North-west will have increased at least three-fold. The present means of transportation

will prove utterly inadequate and this road will be imperatively called for. The government, I repeat, are not acting with undue haste, or proceeding with an ill-matured scheme. They are not entering upon an enterprise which they are not warranted in entering upon; but on the contrary, they are entering upon a scheme which is called for and called for now.

I pointed out last night that our situation, so far as our great wheat producing region is concerned, and the situation of the United States when it was a young country, are entirely different. The United States had an outlet by the Mississippi to the Gulf of Mexico. There were navigable rivers scattered along the Atlantic coast—the Hudson, the Savannah and other rivers. At an early date a canal was constructed from Albany to Lake Erie, tapping the waters of the Great Lakes. The country was able to get along largely without railways. In 1850, when the country had 23,000,000 inhabitants, railroads had hardly become a factor in the transportation situation at all. But we are situated differently. We have no Mississippi to convey the products of our western fields to the sea; we have no Erie canal; we have no natural outlet, not even by access by navigable rivers to the Hudson bay; if we were to have a route, it would have to be provided by artificial means. The whole country, to as far north as the isothermal lines make it possible to produce cereals, must depend on railroads exclusively. For this reason our situation is different from that of the United States. We have to provide our North-west with the means of communication which are absolutely essential to its success and its prosperity. Consequently delay in providing these facilities is inadvisable, and I dismiss the assertion as to the action of the government in proceeding with this railway being premature as totally without foundation, as betraying a lamentable ignorance of the conditions that exist and the probable wants of the near future.

The government proceeded carefully to the consideration of this question. The speech from the Throne contained an allusion to the necessity for a transcontinental line. The government were evidently considering the propriety first of constituting a transportation commission to examine into this question and to report as to the proper course to pursue. But it became evident that there was not time to wait for the slow operation of an investigation by a commission. It became evident that the time for action was now, and that if we could secure such knowledge as would place us in possession of the facts that would warrant us in taking action, we should proceed. Well, what was done? The government proceeded to consider several propositions. They considered a proposition of building a government road, considered it carefully, as I am well aware, and rejected that proposition—

the proposition which my hon. friend the ex-Minister of Railways and Canals pins his faith to, the proposition upon which he has gone out of office because the government did not accept it. I say the government rejected that proposition for what I suppose I may fairly concede were good and sufficient reasons, although I was enamoured of it. The government realized that to make a success of a government road across the continent required the total severance of that scheme from politics. Can that be done in Canada?

Mr. MACLEAN. Yes.

Mr. CHARLTON. The government thought not and so do I. It required, in the second place, honesty in construction.

Some hon. MEMBERS. Hear, hear.

Mr. CHARLTON. That would require the possession of expert knowledge in supervising and carrying on that work, which perhaps no gentleman in this House possesses. It required in the third place, honesty of management, capacity for efficient management and an amount of expert railway knowledge which we do not find among men in public life. I doubt whether my hon. friend from East York would fill the bill. It would require a man like Sir Thomas Shaughnessy or Mr. Hay, at a salary of \$50,000 or \$75,000 per year, to manage efficiently such a scheme. Whether the government were right or wrong, whether their reasons for rejecting the proposition were sound or not, they did reject it.

Mr. MACLEAN. Canada does not grow that kind of man?

Mr. CHARLTON. It does, but they are not in this House. We have not many railway experts in this House. The government proceeded next to consider a proposition for the construction of the road in the old fashioned way, that of granting subsidies. There was a proposition to build a road from North Bay to the west, which involved a land grant of 5,000 acres per mile and a money grant of \$6,400 per mile. Well, the government have never adopted the system of making land grants to railways, and wisely concluded that this was not a good time to begin it. So that proposition was dropped. Then a compromise proposition was accepted, namely, the construction of a road, over which the government should have supervision. One division of that road, estimated at 1,835 miles in length, was to be constructed by the government, but the company was to lease the road and was thus interested in having the cost of the construction kept down. The company is to have the right of investigating whether the government was doing the work economically or not and is given sufficient control to enable it to do so. This is the scheme which was adopted for the construction by the government of the

eastern section. Perhaps it would have suited my hon. friend, the ex-Minister of Railways, better if he had had the disposal of the contracts for building that road, but I think it will be constructed fully as cheaply under the arrangement arrived at. Then we have the construction of a line from Winnipeg to Port Simpson by the company, the right being reserved to the government to audit the accounts and supervise the work and take any necessary steps to see that the work is done properly, and that the company is not stuffing its accounts so as to give a fictitious cost to the road, on which to secure the government guarantee of the bonds. By this scheme we are to have the eastern section owned by the government and leased to and operated by the company, and the western section owned by the company and operated under the supervision of the government, which is to have control of the rates. This scheme will serve the purposes of the country, I think, possibly better than the construction of a government road, even if a government road could have been constructed with all the conditions necessary for success which I have mentioned.

There were three schemes before the government, and taking everything into consideration, in my opinion they acted wisely and have adopted the scheme which is the safest and most likely to confer on the country great advantages.

The government were criticised for delay. My right hon. friend the leader of the opposition, every day or two, would inquire when this contract was to be brought down, what was the cause of delay, why we were kept daucing attendance while the government were shilly-shallying. They were asked: 'Why do you not bring your policy before the country? What are you doing? But yesterday we had my hon friend the ex-Minister of Railways telling us that they have shown undue and unseemingly haste.

Mr. BORDEN (Halifax). If my hon. friend will allow me, it had been announced in the government organs, over and over again, that a certain policy was to be brought down, and I protested against the House being kept from day to day and week to week waiting for the government to announce its policy. I was not insisting on the government bringing down a policy, but insisting that, if they had any policy to bring down, they should bring it down at once.

Mr. CHARLTON. The government were probably in a position in which circumstances were arising that rendered them unable to say definitely how soon they would arrive at a decision. They had announced their intention of bringing down a railway policy, but they may have thought that they would be able to announce it earlier than they did. They took time however to consider and weigh carefully all the conditions

before concluding finally an agreement with the Grand Trunk Pacific Railway. That agreement will stand as a monument of their sagacity. And they brought down their policy with celerity and despatch, if we consider all the circumstances attendant upon the case. It was proper that they should take careful action. We were at the parting of the ways. We had, on the one hand, the policy recommended of building a government road. On the other hand, we had the policy recommended of assisting the construction of a road in the old fashioned way of granting subsidies. Between these two policies, the government had one which is better than either, but which required time and careful consideration because there were vast interests at stake; and if, owing to the absence of due care and thorough consideration, mistakes became developed in the future, through the adoption of the scheme recommended by the government, my hon. friend the leader of the opposition would not be slow to say that they had acted too quickly and brought down their policy too soon.

In adopting this policy, the primary consideration which the government had in view was the national interest—the building of a national road to connect our Atlantic with our Pacific ports, and which would pass all the way through Canadian territory. That object they have kept steadily in view. They desired to secure trade from the North-west for our own ocean ports or as large a share of that trade as possible. I do not say this all-rail route will be able to compete successfully with the water route; but I do say that it will not, unless it be made first-class in every respect. I notice that the 'Mail' newspaper has an editorial contrasting my position with that which I took on the transportation question in a speech I made on May the 26th last. I took the position then that water transportation was cheaper from the North-west to the seaboard than transportation by rail, under the then existing conditions. I take the same position to-day. If this road from Quebec to Winnipeg is to be a road with fifty feet or sixty feet grades, with light rails, and of inferior construction, if it is to be no better than the other railways with which it will have to compete, it will be distanced in the race; and to that extent I endorse the position which I took in my speech of May the 26th. I was then discussing water versus railway transportation in the then existing conditions.

As I said last night, this road from Winnipeg to Quebec, if it is to serve the purpose which it is intended to serve, must be a first class road. It must have not more than half per cent grades, and should have four-tenths per cent grades coming east, or twenty-one feet to the mile. It should be laid with 90-pound rails, should have bridges that would carry the heaviest rolling stock

in use, with a margin to allow for an increase in the weight of rolling stock; it should have engines of 100 tons weight without the tender and cars of 50 tons capacity of cargo. The road must be built with bridges capable of sustaining the weight of cars with a carrying capacity 50 per cent greater than is now required and with corresponding increase in weight of engines. And with a road of that kind, considering prospective improvements in railway material, I feel hopeful that the route will be able to compete with the water route. There has been a constant, a regular increase in the efficiency of railway transportation. We have had the introduction of the fish-plate joint, making practically a continuous rail. We have had the introduction of the steel rail in place of the iron rail. We have had the increase in the weight of the rail. We have had the increase in the firmness of the road-bed. We have had a great increase in the weight and hauling capacity of engines, and an increase in the carrying capacity of cars from 10 tons to 50 tons. Trains are run on first-class roads with a capacity of hauling 2,000 tons of cargo to the train without requiring any greater force of engineers, firemen, brakemen and other attachés of the train than were required twenty years ago for trains that carried 250 or 300 tons. And this progress and improvement still goes on; the efficiency of railways will be still further increased. And with the kind of road that I foreshadow—not the kind of roads that exist now in competition with the water transportation—it is my belief that we can compete with the water route. I know of a road with a maximum grade of 19 feet to the mile running from Buffalo to Detroit through the province of Ontario. The only limit to the size of their trains on that road is the question of their management—whether they are too unwieldy to be managed or not; they do not like a train that is over half a mile long. They can haul upon that road sixty or seventy loaded freight cars with the utmost ease. Compare that with a road on which the engine is struggling up a grade of sixty or seventy feet to the mile with twelve or fifteen cars, and you can see the difference between a first-class road and a second-class road. We want a road from Winnipeg to Quebec thoroughly first-class in its construction and equipment; a road that, in the ordinary way of business, can carry trains with 2,000 tons of freight. If we get that kind of a road, in my opinion we can transport wheat from Winnipeg to Quebec for less than 12 cents per bushel. Now, the rate to-day from Winnipeg to Port Arthur by the Canadian Pacific Railway is 7½ cents per bushel. And, at the rate I have given as a basis of transportation between Winnipeg and the lakes, the transportation on this line will be cheaper than the present transportation partly by water and partly by rail.

Mr. McCREARY. The rate from Winnipeg to Port Arthur is more than 7½ cents a bushel; it is 14 cents a hundred.

Mr. CHARLTON. They have lately reduced the rate. I was speaking with Sir Thomas Shaughnessy the other day, and he told me they had reduced the rate to 7½ cents per bushel. With the kind of road I am talking about, it is my opinion we can carry grain from Winnipeg to Quebec in competition with the partly water and the partly rail routes that pass to the south. And at this point I wish to impress upon the government the absolute necessity of securing the construction of a road of this kind. If because of difficulties of engineering, if because of enhanced cost of the road, we permit ourselves to construct a road with grades of 50 or 60 feet to the mile, we shall defeat our own purpose; we cannot do what we desire that this road should do—that is, compete with the other routes. But with a road of the kind I speak of, we can in all probability transport freight to Quebec successfully. And I say this in the face of the arguments I used on the 26th of May last, comparing water rates with the rates on the now existing roads from the west to the east.

Mr. SPROULE. The hon. gentleman's (Mr. Charlton's) argument is the exact reverse of what he said then.

Mr. CHARLTON. It will be evident that when I am dealing with new conditions, when I am dealing with a road entirely different from the class of road we have now, I am entitled to say that the results probably will be different. An argument based upon the old condition of things will not apply to the new conditions.

Mr. BORDEN (Halifax). What is the hon. gentleman's (Mr. Charlton's) estimate of the cost of a road of that character?

Mr. CHARLTON. I am coming to that, and—

Mr. SPROULE. I thought the hon. gentleman (Mr. Charlton) was arguing the abstract question of carriage by rail and carriage by water.

Mr. CHARLTON. It will be conducive, I think, to the object of this debate to allow me to proceed without interruption. If, when I get through, there is anything I have not touched upon, I shall be happy to deal with it. Mr. Speaker, it is evident that the government comprehends the magnitude of this issue; for it is an issue of great magnitude; we have not been confronted with so great a one since the Canadian Pacific Railway debate. The government comprehends the magnitude of this issue and has conscientiously done its best. And I may be allowed to say to my hon. friends opposite that this is a question that affects the future of this great country, with its three millions of square miles of territory, with its enormous resources and

potentialities and with its splendid future. We are considering the best means of subserving the interests of this country. This should not be a party question; there should not be objections raised for the mere purpose of making party capital; but we should get down to the consideration of this problem on business principles, and make up our minds on the basis of the evidence we have, and arrive, if we can, at a reasonable conclusion as to the probable outcome of this policy.

Now, the government has had in view in this matter a two-fold object, and it has not confined its attention to one or to the other. The first object is to provide an additional outlet for the grain of the North-west; the second object is to afford that outlet for the grain of the North-west in such a way as to direct the trade of that country to our own ports. These two objects the government have kept steadily in view in discussing, evolving and consummating the policy which it now places before the country. Now, we could have got over this question a great deal easier. There would have been no trouble about giving an outlet for the trade of the North-west with perhaps the expenditure of no money at all. We had only to allow these roads to reach Lake Superior. Perhaps we might have granted a little aid for that purpose. We had simply to allow the Jim Hill road and other American roads to come in without let or hindrance, without bonus or aid, and they would have furnished the North-west with an outlet and carried its grain to Duluth, Minneapolis, and Chicago, and so over American roads to the ocean. This would have been just as good an outlet as any other, so far as the mere interest of the farmer is concerned, but it would not have served a national purpose, it would have diverted the trade from our own ports and would have been a suicidal policy. The government have avoided such a policy. They have not counted a few millions as weighing against the fact that such a settlement of the transportation problem would have taken away from our own ports this great trade of today, this trade which is to be so much greater in the future. So, due weight has been given to national considerations; and when my hon. friends opposite belittle these considerations and make an effort to throw odium upon the government's policy and to show that what is claimed for this route cannot be accomplished. I do not think they are acting a patriotic part in the matter.

Now, I wish, Mr. Speaker, to refer to the physical features of the scheme. It designs to make Quebec the great seaport of the Dominion; that is the first great physical feature of this scheme. It will reach Quebec by a direct route from Winnipeg. It will reach the best harbour in the Dominion, or one of the best harbours; and the only drawback to it is that it is closed for some

portion of the year. After having given Quebec a business that that port can transact during the season of open navigation, it is designed to carry that trade on during the winter to ports in the maritime provinces, to the port of Halifax, to the port of St. John. It proposes to give the very best conditions that are attainable for securing that object. It may be that it cannot be done, but we intend to attempt it, and to attempt it by using the best means in our power to accomplish the purpose. A first-class road from Winnipeg to Quebec and the maritime provinces for the purpose of securing the trade of the North-west for these ports—that is the object had in view by the government, that is the purpose they intend to attempt to attain; and if our hon. friends on the opposite side wish to throw obstacles in the way of that purpose, why, I merely say that in that regard they are not patriotic.

Mr. BENNETT. From such a source.

Mr. CHARLTON. I remember, Mr. Speaker, some twenty-one years ago when the party that I belonged to at that time occupied very much the same attitude that my hon. friends opposite occupy to-day, belittling to some extent, casting aspersions upon, raising objections to, and magnifying the obstacles in the way of the construction of a transcontinental line. Well, some of our objections were well taken, but the general trend of our policy was not to our advantage. The country believed in a transcontinental line, and wanted it, and got it. We believe now that the country believes in another, and wants it, and is going to get it; and hon. gentlemen who stand in the way of consummation of that purpose will find that they have been poor politicians and still poorer statesmen.

The next physical feature of this road that I shall refer to is the fact that it opens up a vast unsettled area in Ontario and Quebec. It is a colonization road for 1,300 miles. It passes through our hinterland, opens it up, and while opening it up, goes over the best route for a direct line from Winnipeg to Quebec. This road passing through this hinterland, with a trunk branch running down the valley of the Nottawa river,—I presume some of my hearers have never heard of the Nottawa river, a stream about the size of the Ottawa, with what is supposed to be an extensive and fertile valley. This branch will go to a harbour upon James' bay, and will open up a vast section of country that will be tributary to this road. That is another physical feature. This road, through its connection with the extension of the Temiskaming road being built by the Ontario government will provide access to Ontario centres for all the country tributary to this Grand Trunk Pacific line. But this Temiskaming road will not serve as a line to divert traffic to other ports than the port of Quebec. The road will run from Win-

nipeg west largely through a new country, a vast unsettled region, a region supposed to contain the richest and most productive land in the North-west. It will open up a region from north of the Saskatchewan to Dunvegan on the Peace river; and thence up the Peace River valley and through the Peace River pass to Port Simpson on the Pacific ocean. The road will cross the Rockies by easy grades. The summit of the Peace River pass, has an altitude about 1,800 feet above the sea. The construction of the mountain section, as it is termed, will be found to be much less expensive and much less difficult probably than is now anticipated. This western terminus will place the port that is its terminus much nearer to Asiatic ports in north China and Japan than any other port on the Pacific ocean. While the length of the road is somewhat greater than to Vancouver, the distance by the ocean to the ports named is very much less, and so this route will have important advantages in the overland and oriental trade over any other line. It will reach Quebec by easy grades, by a direct line, and in this respect will be superior to any other possible route from the west to that city. It will open up the great clay belt of this northern region, a clay belt that is supposed to contain sixteen million acres of arable land now lying unoccupied, not possible of being occupied, because it has no means of communication with the outer world. It will open up that clay belt, and it will open up all the timber resources, all the agricultural resources, and all the mineral resources of that great stretch of country, 1,400 miles in length from Quebec to Winnipeg.

Now, with regard to the route of this road, there were two propositions. The one proposition was to carry the road north of Lake Winnipeg. That was the route that would have been adopted by the Trans-Canada line. A good friend of mine in this House, whom I very highly esteem, thought that this line ought to have been adopted because it was 500 miles shorter than the other. Well, if there had been that difference in the distance it would have been a strong argument in favour of adopting that as the nearest route. To find the distances—but of course they are only approximative—I have calculated them by the map. I converted the geographical miles into statute miles, and made some allowance for deviation from the direct line in estimating the length, and the distances I obtained are as follows: By the Winnipeg route, from Quebec to Winnipeg, 1,380 miles; Winnipeg to Port Simpson, 1,650 miles; total, 3,030 miles. By the Nelson route, Quebec to River Nelson, 1,466 statute miles; from Nelson river to Port Simpson, 1,490 statute miles; total, from Quebec to Port Simpson, 2,956 miles. The difference of distance in favour of the northern route, north of Lake Winnipeg, is

75 miles. Now, I was surprised at this result myself. The two lines at their furthest points of divergence are three and a half degrees apart. But when you come to lay out, as I did, a sketch to ascertain the difference between the length of the hypotenuse and that of the base and the perpendicular of a triangle, it is less than one would naturally suppose. For instance, you lay out a line with a perpendicular of 400 miles and a base of 800 miles, and the hypotenuse is but a trifle more than one-fourth more than the length of the perpendicular line. So that showed this calculation was substantially correct.

Now, there is a reason why the Winnipeg route is preferable to the other. If there had been no such reason, the government would naturally have chosen the shorter line, even though the advantage to be gained was only 75 miles. But the Nelson route has less agricultural land upon it than the other. The distance is greater from Quebec to the River Nelson than it is from Quebec to Winnipeg, by about 70 miles. Then the unproductive country extends from the Nelson river west a long distance; while from Winnipeg, the productive country extends at least to the Peace River pass, and that is the reason for putting the road upon that line. Another reason is that at Quebec the road touches a point where all the business of the North-west converges, a great entrepot for the vast country west and north-west of it. It is so to-day, it will probably continue to be so, and a road reaching that point is in a position to compete for the business furnished by all these roads ramifying through the North-west in every direction, while if it had gone by the Nelson route it would have reached none of them, and could have competed for none of this business. For these reasons the choice of line by way of Winnipeg was a judicious choice.

I wish next, having dealt with physical aspects of this road, to call attention to its business prospects. We have dealt with the national question, with the necessity from a national standpoint of having a great transcontinental road upon our own soil, and it has been asserted by the hon. ex-Minister of Railways and Canals and by others, that, leaving out this view of the case, this road has nothing to commend it to us from a commercial standpoint. Well, Sir, the business prospects of this road are, first, that it will furnish an outlet to the North Saskatchewan valley, an enormous extent of country and a fertile and rich region of the Canadian North-west. It will furnish an outlet to the Athabasca valley by means of the navigation of the river bringing its produces down to the point where the road crosses and up the river to that point. It will furnish an outlet to the Peace river valley. These regions are to be peopled in the near future by millions of people, these regions are to be the heart of the productive region of the Canadian North-

west, these regions are to furnish an untold amount of business—business that this one line will be incapable of performing, and the building of this road, as the hon. ex-Minister of Railways and Canals very properly said at Vancouver, through this new and wilderness country is an act of statesmanship, of good policy, and it will open this region to settlement. When this road has been built to Fort Dunvegan on the Peace river, the natural corollary is to extend the line from that point to Dawson City, in the Yukon. The line would be perhaps a thousand miles long. I have not measured the exact distance; it may be something less than that. It would cross the Hay river, it would follow the Liard river and traverse those fertile regions. Not 300 miles of the length of that road to Dawson would pass through a country incapable of settlement and cultivation, and if we had this road to Dawson we would have done away with this question of the bonding privilege from Skagway over the White Pass. We would have done away with this question of the trouble about the Alaskan boundary so far as reaching the Yukon from the Pacific is concerned. We would have reached through a direct route the very heart of that region, we would have its entire trade and we could afford to place little store upon the Alaskan boundary question when that point was reached. The road will open up, in addition, the regions I have named, to Northern British Columbia. Recent discoveries have been made upon the Skeena river of enormous deposits of coal, of hundreds of millions of tons of coal of superior quality. We are just scratching the surface of the country, we are just learning about its enormous resources. It is a country rich in minerals, rich in coal, rich in iron, rich in precious metals awaiting development, to be penetrated by a railway and to blossom into commercial life. The road will build up a great city at Port Simpson, a city that will command an enormous trade with the Orient, a city that will command, when the Panama canal is completed, an enormous trade with Europe in grain. Grain from the Peace river valley, when the Panama canal is constructed, can be taken to Simpson by this road, can be shipped to Liverpool from Simpson and shipped at rates that will set at rest the transportation question for that rich country by affording them cheaper rates than can be obtained elsewhere. It will afford an outlet for the grain trade and for the flour trade which is sure to be developed from that great western country with China and Japan. This road will have a great lumber trade. That will be another item in its business prospects. It will have a lumber trade from the forests of British Columbia to the prairies of the West. It will have a lumber trade from the forests of the hinterland of Ontario and Quebec, which

will be traversed for a length of 1,300 miles by this road. Wherever the road crosses a stream every tree standing upon that stream above the line of the railway will be tributary to the railway, and lumber from this section of the country, as I pointed out last night, can be transported to the prairies as cheaply as lumber is now transported from Vancouver, where there are two mountain ranges to climb, offering grades of from 120 feet to 200 feet to the mile. This road, when it is completed, will be called upon in all human probability to handle 100 million bushels of grain annually by its line west of Winnipeg. As I have said, it will be the exclusive outlet of the clay belt. By its branch down the Nottawa river, with a good harbour on James bay it will command the business of that great mare clausum of Canada, the Hudsons bay, thousands of square miles larger than the German ocean, a sea with untold resources in fish, with enormous resources in minerals upon its shores, and near whose shore Philadelphia companies have been locating iron mines for the last two years, and I would counsel the hon. Minister of the Interior (Hon. Mr. Sifton) to look closely into this question and see that these people do not obtain enormously valuable properties at a mere fraction of their value. This road would command the business of this great inland sea, with its valuable fisheries, and it would command the trade in minerals that are tributary to it and the Nottawa branch. It will bring back to Quebec—and I am sure this will interest you, Mr. Speaker—its palmy days. Once that was the seat of an empire in embryo. Its adventurous explorers reached the far west, planted fortifications and military and trading posts, in the rear of the English colonists, at Fort Duquesne, near Pittsburg, at Fort Kaskaskia, opposite St. Louis, at Mackinaw and various other points in the country, and projected an empire that was to be tributary to France, but by the struggle on the plains of Abraham that dream of empire was shattered. But, with this road Quebec will reach out to the future again, Quebec will reach out to the commerce of this vast region with its untold resources, and it will command the trade of that sea and become a queenly city.

This project will practically straighten the Intercolonial Railway. I have dwelt upon that subject already—a necessary step to be taken if we are to furnish the maritime ports in the winter with shipments of grain. I pointed out last night that vast expenditures that have been undertaken by all the principal American lines in betterments of their roads, in reduction of grades, in improvement of alignment, in laying with heavier rails, and in giving better equipment. These vast expenditures were absolutely necessary. The roads could not perform the functions that they were designed to do and desired to do without these expenditures. If one road made these

expenditures every rival road had to follow suit, and the result is that the capacity of these roads has been quadrupled by the expenditure of money made in the way I have mentioned. The same necessity rests upon us in regard to the Intercolonial Railway. It was built upon a wrong route, and it is not first-class in the matter of its grades. The straightening of the road, and the improvement of its grades will vastly increase its efficiency and will render it possible to give to the maritime ports a trade which, without this improvement of the line, could not be secured. If we seek to divert trade to the maritime provinces we must have the best tools, the best appliances. We cannot do it with an antiquated system and with an inferior and second-class road. This road will develop an extensive and valuable section of the country in Quebec and New Brunswick.

Another consideration, and a consideration of no mean importance, is, that it will remove the dread of the abrogation of the bonding privilege. The ex-Minister of Railways and Canals scouted the idea that there was any danger of such a thing being done. He told us: The Americans will never dream of adopting a course that would result to their own disadvantage; never would think of depriving themselves of the trade that now flows to their own seaports. Well, Sir, I do not know. The Americans have threatened to do this. Their President had power placed in his hands a few years ago to do it by his own proclamation without reference to congress, without being governed by anything except his own supreme will in the matter. It is a dangerous position for us to be in. We have had friction in our relations with the United States. They are pleasant and agreeable now because we are the spoiled child, and we stand spoiling all right. But the day may come, Sir, when friction may exist. Our trade relations have got to be adjusted; we must have from the United States fairer trade conditions or we must apply to the United States the treatment that they apply to us. If we get fairer trade conditions it is all right, and there will be very little danger of the abrogation of the bonding privilege; if we enter on the other line of policy, I would not guarantee that there would not be friction, I would not guarantee that there would not be talk of abrogating what the Americans call a privilege, and I would not be surprised if it were abrogated. And in any event, self respect, care for our own interests, respect for our standing as a country, imperatively demand that if we can place ourselves in a position where such a calamity cannot be visited on our heads, it is our duty to do so, and the construction of the Grand Trunk Pacific line will do it.

Some hon. MEMBERS. Hear, hear.

Mr. CHARLTON. I wish now, Mr. Speaker, to enter upon a consideration of the

financial basis of this scheme. We have government construction from Moncton to Winnipeg. From Moncton to Chaudière Junction according to the best data that can be obtained, would be a distance by the new line of 378 miles, and by the present line it is 488 miles. The saving in the distance would be 110 miles. Estimates have been made of a saving of distance of from 120 to 140 miles, and I take this estimate of 110 miles saving, as being a moderate and reasonable one. Then we have from Chaudière to Winnipeg a distance by air line of 1,380 miles. I add to the air line distance, for deviations, slight deviations going north of Lake Nipigon and so forth, an increase of four per cent, which I believe is sufficient, and this would make the line from Quebec to Moncton 1,435 miles, and the line from Moncton to Winnipeg 1,823 miles. Now, these are approximate estimates. I arrive at them by careful measurement of the map, by ascertaining the number of geographical miles, by turning these into statute miles, by taking 60 miles and 900 feet and making that the width of each degree instead of 60 geographical miles. Now, the cost of this 1,823 miles—and we must bear in mind that this cost does not include the equipment—I estimate the cost of these 1,823 miles at \$30,000 a mile. I think that estimate is not too high; I presume it is not too high for that section of the road, from Moncton to Chaudière Junction, but I believe it is too high for the stretch of road through that level country most of the way from Quebec to Winnipeg. But we will allow \$30,000 a mile as the cost of a road 1,823 miles in length, or a total of \$54,600,000.

Then we guarantee the mountain section and we are to pay interest upon that as well as upon the line from Moncton to Winnipeg. We guarantee the mountain section for not more than \$30,000 per mile; the guarantee to be three-fourths of the cost of the line. That I believe is too high. I do not believe the line will cost \$40,000 a mile through the Peace River pass and from that point to Fort Simpson, and I estimate the length of that mountain section at 450 miles. This would be a guarantee of \$13,500,000. The total cost of the road, and guarantee of the mountain section which rests upon the same basis as the cost of the road so far as the payment of interest for seven years is concerned, would amount to \$68,100,000. If we pay upon that sum three per cent interest for seven years that would amount to \$14,319,000. Now, I have no doubt that the calculation of \$13,000,000 by my right hon. friend the Premier is much nearer correct. I believe I have allowed sums in excess of what would be the actual cost of the mountain section and the actual cost of that stretch of 1,435 miles from Quebec to Winnipeg, but on the basis of this estimate we will pay \$14,319,000. This will be equivalent to a bonus. Now, it was re-

presented by the ex-Minister of Railways and Canals, and no doubt it will be represented again, the total cost of the eastern section represents an actual increase of our debt that the burden that the country assumes is measured by this amount, that that burden is \$38,180,000. It is nothing of the kind. After the payment of \$14,819,000 we lease this road to a responsible company, we lease this road under guarantees and conditions highly advantageous to ourselves, we lease this road with a reversion of title and ownership in 50 years. We lease this road upon conditions that pay the interest on this sum year after year, and we hold ample security for it. We hold the rolling stock, we hold on the western division their own investments in the road in addition to our guarantee. All these we hold, and to assert that this is in addition to our debt, an increase of the burdens that rest upon the country is absurd. It is not honest; it is not a truthful honest presentation of the case.

Now, with regard to the western division from Winnipeg to Port Simpson, 1,651 miles in the air line, I estimate an increase in length of five per cent. Perhaps that is somewhat too little, but it will make the line in statute miles 1,733 miles. The government guarantees the mountain section. I assume that that mountain section will not exceed 450 miles in length. I do not believe that road will cost \$40,000 a mile judging by the character of the country, but the guarantee at \$30,000 a mile amounts to \$13,500,000. Then there will remain 1,283 miles upon which the guarantee will be \$13,000 a mile. The ex-Minister of Railways and Canals assumed that the road would cost the sum that this guarantee represents only. It is estimated that the road will cost between \$17,000 and \$18,000 a mile on the prairie section, and the government guarantee upon that will be \$13,000 a mile. The mountain section will cost \$40,000 per mile, and the government guarantee on that portion will be \$30,000 per mile. This amounts to a guarantee of \$13,500,000 for the mountain section and \$16,679,000 for the prairie section, a total of \$30,179,000 of government guarantee applied to the entire line from Winnipeg to Port Simpson. If this estimate of cost is correct, the company's expenditure on this portion of the road will be \$10,059,000, in addition to which they have to put on it \$15,000,000 worth of rolling stock. So that the expenditure by the Grand Trunk Pacific of one-fourth the cost, and \$15,000,000 on rolling stock, in addition to the guarantee by the government, will represent a value of \$55,238,000 which we will hold as absolute security for our guarantee of \$30,179,000. Is there anything reckless or prodigal or unbusinesslike in this arrangement? Why, the more I consider this agreement, the more I analyze its conditions, the better satisfied I am with the bargain. I would suggest that my hon.

friends opposite also make a careful study of it, and see if that will not bring them to the same conclusion. The Grand Trunk Pacific leases this road from Moncton to Winnipeg for fifty years, and provides equipment for this eastern division to the value of \$5,000,000. We hold the road, the equipment, and whatever betterments the company may place upon it as security under the lease; and at the expiration of fifty years the road comes back to us.

Now, Mr. Speaker, this is a bargain that could have been made, with any prospect of its being carried out, in no other way and with no other company in Canada than the one with which it has been made. No private company could take this agreement just as it stands to-day and finance this undertaking. No private company could raise on its second mortgage bonds the balance of the cost of the prairie section, over the amount guaranteed by the government. No private company could provide this road with \$20,000,000 or rolling stock. It required the credit of the Grand Trunk Company of Canada, standing behind the Grand Trunk Pacific, to consummate this bargain. It could have been done, in no other way. We have the entire strength, resources and character of the Grand Trunk Company of Canada behind the Grand Trunk Pacific; the two are united together—a fortunate concurrence of circumstances, a rare opportunity which the government have had the wisdom to seize upon; and by seizing upon it they have secured the construction of a transcontinental line upon terms that are, to say the least, surprisingly favourable. The Grand Trunk Company has greater resources and appliances than any other company in Canada—perhaps greater than any other company in America. The Grand Trunk Company is associated with this new company, is in partnership with it, is interested in its success, and will carry it to a successful conclusion.

As I said before, the road reverts to the government at the expiration of fifty years. What will it probably be worth then? How many people will be in Canada fifty years from now? What amount of business will be done by this road then? There is a very carefully drawn provision here with regard to betterments and the keeping of the road up to a certain standard. The government have a right to compel this company to keep the road up to the highest standard that exists at any time. If improvements are made in railways, this road must be made to correspond with the character of those improvements. The keeping up of the road is an absolute condition of the contract. When this road reverts to the government at the expiration of fifty years, is it an extravagant calculation to suppose that it will be worth twice its original cost to the government? It is not. There is something marvellous about the increased value of railroads. Take the New York Central. It

fell into the hands of Cornelius Vanderbilt about the year 1860. That road's stock was watered, and watered, and watered again, until every dollar of that stock to-day represents a cost of 25 cents; and yet the great volume of watered stock goes on paying dividends of 6 per cent per annum, due simply to increased value from increase of business. The same conditions apply to all the principal railroads. They will apply to this road. This road will inevitably increase in value. I think it is a very moderate calculation to suppose that this road, at the time it reverts to the government, will be worth twice its original cost. The agreement provides that if the government do not then choose to assume the road and run it themselves, the Grand Trunk Pacific Company shall have the right to lease it if it offers as good conditions as the government can secure elsewhere. Well, do you suppose that that road will be leased a second time at 3 per cent on its original cost—a road that will be worth twice what it cost? Is it unreasonable to suppose that the road will then become a great source of revenue to the government? It is a moderate calculation to suppose that while the government will continue to carry its bonds at 3 per cent, the company on the second lease will pay at least 6 per cent on the original cost. I do not know but that is a better arrangement than to rush into a scheme of government construction of railroads. At all events, it is an arrangement which will certainly enable the government to establish an efficient railroad from ocean to ocean, and leave that road under the absolute control of the government in every essential respect.

Now, I wish to refer to the matter of the management and practical basis of this scheme. The Canadian Pacific Railway distance from Montreal to Winnipeg, is 1,424 miles. The length of the Grand Trunk Pacific from Quebec to Winnipeg, if my calculations are correct, will be 1,435 miles, eleven miles longer from Quebec to Winnipeg than the distance on the Canadian Pacific Railway from Montreal to Winnipeg; and I doubt if, when the surveys are made, the difference will be as much in favour of the Canadian Pacific Railway. The length of the entire road is considerably greater than that of the Canadian Pacific Railway, but that increased length is all but eleven miles of it west of Winnipeg, and it is a consideration that does not matter much, for every mile of it is developing a rich country, which will afford business to the line.

The government retains running powers on the road, or the right to give running powers over the entire line—over the line from Winnipeg to Moncton, and over the line from Winnipeg to Port Simpson or to Bute Inlet, whichever may be the terminus. The eastern division, from Winnipeg, is made a great artery as an outlet from the west, connecting with every road which

comes from the west into Winnipeg; and, if it carries grain as cheaply to Quebec as it can be carried to Boston or Portland, it will divert to Quebec and the maritime ports all the traffic it can possibly handle. Was there any wisdom in the government retaining this right, and making the provisions for joint use and joint running? Certainly there was, and the question is, can this right be secured on reasonable terms for other companies? I answer, beyond question it can.

The criticisms made by my hon. friend the ex-Minister of Railways and Canals with regard to this matter betrayed an utter ignorance on his part of the conditions surrounding this question. As I said last night, the gauges of the roads in the United States have been made uniform for the purpose of exchange of freight and avoiding the breaking of bulk when one road connects with another. No bulk is broken now. Cars go from where they were billed to their destination over one or two or a dozen roads, and arrangements are made for the division of freight on the basis of mileage. And if a railway does not return the cars it has borrowed promptly, it must pay a certain rate per day for the use of those cars. The whole business is carefully systematized; and even where there is no special arrangement, if one road runs its cars over another, there is no trouble in ascertaining what it should pay. Traffic is carefully exchanged and the flux and flow of business goes on from ocean to ocean over all railway lines on a well recognized system. If the Northern Central or the Canadian Pacific Railway or any other line wishes to send its cars through to Quebec to be hauled by the Grand Trunk Pacific Railway, it is the simplest thing in the world to make a division of the freight; and if there should be any disagreement, the government can step in as an arbitrator and decide the dispute on a fair and equitable basis. But if these roads desire to make use of this line practically as part of their own lines, there will be no difficulty. We know that by practice already. I pass over a road almost every week which is used by two lines a distance of 229 miles. There is one division from St. Thomas to Detroit 110 miles and another division from St. Thomas to Buffalo 119 miles long. Each of the lines which uses this road has its own round-houses, its own appliances, its own engines, and runs its own trains, and there is no friction between them. Their system of train despatching is arranged in the easiest manner. Passenger trains take precedence over freight trains, and stock freight takes precedence of ordinary freight. The whole business is conducted with the utmost system and works with the utmost regularity and without friction. If you can run a road where there are two divisions, you can run a road where there are three or four or a

dozen divisions. The same system applies to many as it does to a few. The running of pullman cars and passenger cars is reduced to a system on all roads. A pullman starts from New York or Boston and goes to San Francisco, and it makes no difference whether it goes over two roads or half a dozen. The system is perfectly adjusted to the satisfaction of all the roads, and everything goes on smoothly. The same system can be introduced here, and it is absurd to say that it cannot. We have this further assurance in our own case, that while in the United States all these matters are subject to mutual arrangement, so that any road may defeat the working of the system by being too grasping or exacting, here we will have an umpire, the government itself, which can compel the faithful and equitable carrying out of the provision laid down in section 24.

This company, as an assurance of good faith, deposits the sum of \$5,000,000 with the government, and that money is to remain in the hands of the government until the company has fulfilled its obligations. But if the company are within \$3,000,000 or \$4,000,000 of the completion of the work, then the government may allow the company to use the \$5,000,000 deposit to complete the work. But the government holds this \$5,000,000 in hard cash or convertible securities in addition to all these other conditions. The government controls the rates on this road and it has the right to audit the accounts at any time. At any time it may send its accountant to see whether the accounts of the company are properly kept, whether there is any stuffing of accounts and pay-rolls. It can ascertain exactly what the road is doing, what its earnings are, what its dividends should be, whether its rates can be reduced without injustice with the company. Contrast that with the Canadian Pacific Railway, which we cannot interfere with at all until its dividends are 10 per cent. Then this company is liable to taxation and the Canadian Pacific Railway is not. This company has neither land grants nor cash subsidy, unless you can call the seven years interest on the guarantee the cost of the mountain section a subsidy. Contrast this with the first proposal of the Grand Trunk Pacific Railway itself. That company came down to the government with a proposition to build a line from North Bay. It wanted a subsidy of \$6,400 and 5,000 acres of land a mile, equivalent in value to at least \$15,000. Contrast the present bargain with that demand. I believe that the government have pressed the Grand Trunk Railway to the last point. I believe Mr. Hay was ready to throw up the sponge, if one single concession further had been demanded. I am, I think, in a position to know that the government got the very last concession possible from the managers of the Grand Trunk Pacific Railway; and that it has got a good bar-

gain the future will prove, whether it be admitted now or not.

I give great credit to the government for having refused the land grant and still greater credit for having made that its uniform policy. The government deserves well of the country to a greater degree perhaps in this respect than in any other. Contrast this with the policy of the late government. That government made land grants to railways to the amount of 57,087,000 acres—an empire thrown away recklessly. It threw away our heritage recklessly, with no apparent idea of the ultimate value of that land. It gave away our lands as freely as you would stones from a brook, and of this amount of 57,087,000 acres, 29,986,000 have been earned and have passed out of the hands of the country. Messrs. Mackenzie & Mann have been able to make a \$12,000,000 sale of land, I understand.

Hon. Mr. HAGGART. Does that include the Yukon River Railway?

Mr. CHARLTON. No. The railway is somewhat south of the Yukon. Our hon. friends opposite may claim all the credit they can extract from that policy. It has been a most wasteful one and I trust that the Liberal government will add the brilliancy of its record in this respect by continuing to enforce the old principle, which we advocated when we were in opposition, of the land for the settler and the settler for the land.

With regard to the question of subsidies, I do not know that I would take the position taken by many persons in Ontario. Subsidies, reasonably granted, are a proper thing. Railroads may be subsidized and their construction secured that could not otherwise be had, railroads that would be of great benefit to the country. And here again with regard to their system of subsidizing railroads, the government has adopted a principle which redounds greatly to their credit. They have adopted the principle that a railroad which is subsidized must carry the mails free, and, I believe, they must provide a mail car and a mail clerk—the Postmaster General will correct me if I am wrong—they must carry military forces free, in fact, they must perform all government services free to the extent of three per cent interest upon the amount of subsidy granted. Under these conditions, and with these provisions, I believe that subsidies granted within the limit of reason, granted to meritorious enterprises, and in moderate amount may be reasonably granted, notwithstanding the outcry that has been raised.

Mr. MONK. Are there any of these conditions in this contract?

Mr. CHARLTON. There is no subsidy in this contract. Now, Sir, I desire to refer to the wise provisions in the public interest

contained in this agreement. Great care has been taken in this respect. We have not a Minister of Railways and Canals with *carte blanche* in the construction of a trans-continental line. This would be a very pleasant position, no doubt, for a public official to occupy; but in the construction of the eastern section, we have a joint supervision provided for on the part of the company and on the part of the government. The company is interested in having the road constructed as cheaply as possible, as it has to pay three per cent interest on the cost. It has joint supervision with the government in the letting of contracts and the construction of the line. This provision will secure—perhaps such a provision would be unnecessary with a government like this—economy of construction to the utmost attainable extent. Then, we have a provision in the public interest that the standard of the road, west of Winnipeg shall be equal to the standard of the Grand Trunk between Toronto and Montreal. That is a much higher standard than that of any road that the west now possess.

An hon. MEMBER. No.

Mr. CHARLTON. Yes. The Mackenzie & Mann road is laid with 60 pound rails. The Grand Trunk between Toronto and Montreal is laid with 80 pound rails, and in some sections 90 pound rails. It is a first-class road, with the best bridges and with low grades. And, if this provision in the contract is complied with and the Grand Trunk builds a road in the west that shall not be inferior to the Grand Trunk between Montreal and Toronto, it will build a road thirty or forty per cent better than any road now in that western country. Compare these conditions with those that were imposed on the Canadian Pacific Railway when it was built. That company was under obligation to build a road equal to the standard of the Union Pacific when it was first constructed—a road whose rails were laid on cottonwood ties two feet apart, ballasted with frozen dirt in the winter, and with grades as high as 90, or even 100 feet to the mile. There are other important conditions in this contract. We have a provision in section 16 that the government may improve the eastern section. So, if this road is not kept in condition to answer the purposes of the government, in a condition to secure the trade for the maritime ports and Quebec, the government may step in and put the road in condition necessary for this purpose, and charge the cost to the company.

Hon. Mr. HAGGART. No, no.

Mr. CLANCY. The interest.

Mr. CHARLTON. Yes, to the company. It is capitalized at the cost of the company. The government is adopting provisions with regard to the eastern section, stringent provisions, that insure against the deteriora-

tion of the line, that insure its maintenance at the same standard of efficiency as the rest of the road. Then there is the provision I have already referred to with regard to the hauling rights, made in the interest of the shipper of the west and of the whole country, that will be vastly beneficial to the transportation interest of Canada. The government has a mortgage that covers the road-bed and the rolling stock and is ample security for all its advances by way of guarantee. Then there is a clause providing for the purchase of Canadian material. My hon. friends on the other side may say that this does not amount to anything, because the company is not obliged to purchase Canadian materials, unless it can get them advantageously as other materials. But I think this clause secures to us an important advantage. The time will come, and come very soon, unless we get advantageous trade conditions from the United States, when we shall have duties high enough to assure the purchase of materials in Canada; and this condition that the company shall purchase its materials in Canada will prove a great boon to the manufacturing interest of this country. Then, the government has control of rates, which I have already alluded to. It has provision for continuous and efficient operation of the road, and it has that condition secured by a provision in the agreement which says that when the lease is drawn the government shall have plenary powers and powers of imposing penalties in the event of this condition not being complied with. This agreement provides that the rates on export trade shall be no greater to Canadian ports than to American ports. The road must absolutely place Canadian seaports on the same basis with regard to advantage as it places other seaports. It was said last night that that company could evade this provision by sending its agents to the west to secure freight routed to American ports. If it did this, it would violate clause 43, which provides that there shall be no discrimination on the part of a railway company in favour of American routes. Then there is a condition that the company shall provide ample shipping accommodation at Port Simpson, Quebec, Halifax, St. John or any other ocean port that its business reaches. The attempt was made last night to convey the impression that of the \$45,000,000 of stock which this company is to issue, \$25,000,000 was to be treated in some way so that the manipulators of this contract could put it in their own pockets—confiscate it. Why, the \$20,000,000 of preferred stock is to secure \$20,000,000 of rolling stock for the road. That is the purpose to which it will be devoted. The \$25,000,000 of common stock is to be laid aside and put upon the market for the purpose of constructing elevators and other shipping facilities at the end of the route that the government stipulates that it shall furnish and other such

purposes. So that we have in this contract ample security for all the stipulations that the agreement contains.

Now, to sum up the matter: Under this arrangement we are about to secure a trans-continental line. We have granted no land for it. We pay interest for seven years on the cost of the eastern section, and upon the guaranteed portion of the mountain section not exceeding \$14,500,000. And, at the expiration of fifty years, when the value of this property will be greatly enhanced, it comes back into our possession. That, broadly speaking is the outline of this arrangement. I wish to contrast this bargain with the first bargain for a trans-continental road made in this country. I think there will be food for reflection in this contrast; and while doing this, I wish distinctly to disclaim that I have any reflections to make upon the management of the Canadian Pacific Railway. I admire the courage, the grasp, the energy, the push that characterized that movement from the outset. I criticize, not the Canadian Pacific Railway syndicate, but the government of the day. In 1886 I had a letter from the now Lord Mount Stephen, complimenting me, thanking me, for a speech I made in that year attacking the policy of the government and showing what vast franchises the Canadian Pacific Railway Company had obtained, what an enormous bargain they had from the government. This letter complimented me for having tried to act justly, and I was informed that it had been used quite efficiently in promoting the credit of the company. So I say now, that while I point out the recklessness of the government of that day, I utterly disclaim any intention of casting reflections upon the people that took the government in.

When that contract was made with the syndicate in 1881, it provided for the construction of a line from Calender to Port Moody. Of that line, certain portions were to be built by the government. The Lake Superior section from Lake Superior to Selkirk, 405 miles in length; the western section from Port Moody to Kamloops, up through the canyons of the Thompson and the Fraser, 238 miles in length, a total of 643 miles that the government was to build and hand over free of cost or charge to the syndicate. The balance of the road was to be built by the syndicate. It was 1,906 miles long. Now, whatever subsidies, whatever grants of land, whatever gifts of completed railway the syndicate received were applicable to the construction of that 1,906 miles of road only. Let us see what they got. They got a cash bonus of \$25,000,000; they got the 643 miles of completed road which cost, with the surveys, in round numbers, \$85,000,000; they got 25,000,000 acres of land, worth at the least calculation \$3 an acre, or \$75,000,000. Their cash subsidy therefore for the 1,906 miles of road amounted to \$13,100 a mile; their subsidy from the gift

from the government of 643 miles, which had cost \$85,000,000, amounted to \$18,300 a mile; their subsidy from the 25,000,000 acres of land, worth \$75,000,000 as the outcome proves, amounted to \$38,300 a mile. So the syndicate, for the construction of 1,906 miles, the portion that was constructed by it between Calender and Port Moody, received in cash, in road completed and handed over, and in lands estimated to be worth \$3 an acre, a total subsidy of \$69,700 a mile. Now, I hope my hon. friends on the opposite side will make a note of that. That was a pretty reasonable subsidy—\$13,100 a mile in cash, \$18,500 a mile in the value of the road the government built for them, and handed over, and \$38,300 in land worth \$3 an acre.

Mr. McCREARY. What about the taxes?

Mr. CHARLTON. We will come to that later on.

Mr. COWAN. Still there's more to follow.

Mr. CHARLTON. Now, compare that with this scheme that our friends are denouncing to-day. Here is a scheme that will cost us, in interest in lieu of subsidy, \$14,500,000, or \$4,060 per mile for the entire line, against \$69,700 per mile for 1,906 miles. Does not the contrast startle my friends? And can they, in view of their own record, rise in this House and condemn this moderate, judicious scheme, conceived in the interest of the people, and to be carried forward to its consummation at such a slight cost?

Now, let us have a summary of these subsidies: Cash bonus to the Canadian Pacific Railway on 1,906 miles, \$25,000,000; cost of road and surveys handed over to the company, \$35,000,000; total value of 25,000,000 acres of land—and I may say here that part of that land was bought back at \$1.50 an acre, \$10,000,000 worth, but the average of the whole may be computed at least at \$3 an acre—25,000,000 acres of land at \$3 an acre, would be worth \$75,000,000; total subsidies applicable to the 1,906 miles built by the Canadian Pacific Railway, \$135,000,000. Contrast that with this scheme that is going to be denounced as extravagant and reckless. Aid to the Grand Trunk Pacific by way of interest, say \$14,500,000; balance in favour of the Canadian Pacific Railway, \$120,500,000. The statement seems incredible, but it is a cold hard fact, and I thought perhaps it would be well just to remind our friends opposite of what they have done in the past as an incentive to them to denounce what we are doing in future, granting about one-seventeenth as much to this line per mile as the Canadian Pacific Railway received from them.

At one o'clock, House took recess.

House resumed at three o'clock.

Mr. CHARLTON. Mr. Speaker, at the hour of recess I had just completed a comparative statement of the aids granted by

the government to the Canadian Pacific Railway Company and to the scheme at present under consideration. I had given the value of the investment of the government in the roads that were handed over to this company, the amount of the cash bonus, and the value of land grant of 25,000,000 acres. It may be argued in regard to the land grant that its value was created by the construction of the road, and that we are not entitled to count this as being in the shape of a bonus in regard to the aids rendered in this line. Leaving that question aside, I may say in this connection, at least, that we grant no land bonus to the present scheme and that the increase in the value of the land consequent upon the construction of the land will be ensured to ourselves as a government and to the country and not to a railway corporation.

I shall now enter into other conditions of contrast between these two schemes as relates to the government's position in the respective cases, and the first one I will refer to, Sir, will be the exemption of the Canadian Pacific Railway from taxation. That exemption is contained in section 10 of the agreement of the company, and is as follows:

The Canadian Pacific Railway, and all stations and station grounds, workshops, buildings, yards and other property, rolling stock and appurtenances required and used for the construction and working thereof, and the capital stock of the company, shall be for ever free from taxation by the Dominion, or by any province hereafter to be established, or by any municipal corporation therein.

That exemption, of course, is perpetual. I need not point out that no such condition applies to the Grand Trunk Pacific Railway scheme. There is no exemption of its property in this case, and whatever conditions a railway corporation may be liable to under the authority of the Dominion, or of provinces that corporation will be liable to. Then, the next provision that I would refer to in this contrast of conditions is the exemption of the land grant of the Canadian Pacific Railway from taxation, which exemption is also contained in section 16, and is as follows:

And the lands of the company, in the North-west Territories, until they are either sold or occupied, shall also be free from such taxation for twenty years after the grant thereof from the Crown.

These lands were granted more than 20 years ago, no taxes have yet been paid, and the lands still are practically exempt from taxation.

The next condition and contrast that I would refer to is the transportation monopoly granted to the Canadian Pacific Railway covering the entire North-west Territories. The clause granting that monopoly is No. 15 of the agreement or contract, and is as follows:

For twenty years from the date hereof, no line of railway shall be authorized by the Do-

minion parliament to be constructed south of the Canadian Pacific Railway, from any point at or near the Canadian Pacific Railway, except such line as shall run south-west or to the westward and south-west; nor to within fifteen miles of latitude 49. And in the establishment of any new province in the North-west Territories, provision shall be made for continuing such prohibition after such establishment until the expiration of the said period.

Here was a condition which gave the Canadian Pacific Railway an absolute monopoly of transportation in the entire North-west Territories. No line was to be built from the south of that road to within 15 miles of the American boundary line, no connection with any American road was possible under the provisions of this section. The Canadian Pacific Railway, by this provision of its agreement, enjoyed an absolute transportation monopoly in the North-west. Contrast that provision with the provision of the Grand Trunk Pacific Railway scheme and we find that no such monopoly is given, that no special privileges are given in regard to transportation, but that this road has to enter into full and free competition with all other lines without any intervention on the part of any government to aid it in any way in securing business.

The next point of difference is in regard to the admission of material for the construction of the road contained in section 10 of this Act. By this provision it was agreed that the government:

Shall also permit the admission free of duty, of all steel rails, fish plates and other fastenings, spikes, bolts and nuts, wire, timber and all material for bridges, to be used in the original construction of the railway, and of a telegraph line in connection therewith, and all telegraph apparatus required for the first equipment of such telegraph line; and will convey to the company, at cost price, with interest, all rails and fastenings bought in or since the year 1879, and other materials for construction in the possession of or purchased by the government, at a valuation,—such rails, fastenings and materials not being required by it for the construction of the said Lake Superior and western sections.

Well, Sir, this exemption of material from duty was held later on to apply to the material used in the renewal of bridges years and years after the Canadian Pacific Railway had been constructed. The Grand Trunk Pacific has no such privileges, has no such exemption from the payment of duties; it must pay duties upon all the materials it imports. That is another contrast between the conditions applicable to the roads.

Then the Canadian Pacific Railway was required to put up a deposit by way of security of \$1,000,000. The Grand Trunk Pacific is required to put up a deposit by way of security of \$5,000,000—five times as much as that required from the Canadian Pacific Railway.

Then, the Canadian Pacific Railway could not be touched in reference to the adjustment or handling of its freight rates until it was paying a dividend of 10 per cent. No interference on the part of the government could be made with the affairs of the company until it was paying a dividend of 10 per cent. That was provided in section 18 of this Act. The Grand Trunk Pacific Railway is liable to the intervention of the government in the regulation of its rates at any time at the pleasure and upon the judgment of the government without any reference to the maximum rate of dividends it may be earning.

Then, the Canadian Pacific Railway had three-quarters of the cost of the rails that it imported advanced by the government. This provision is contained in subsection (c) of section 9 of this Act, and it is as follows:

If at any time the company shall cause to be delivered on or near the line of the said railway, at a place satisfactory to the government, steel rails and fastenings to be used in the construction of the railway, but in advance of the requirements for such construction, the government, on the requisition of the company, shall, upon such terms and conditions as shall be determined by the government, advance thereon three-fourths of the value thereof at the place of delivery.

There is no such condition in reference to the Grand Trunk Pacific. All these conditions were peculiar in their application to the Canadian Pacific Railway—exemption from taxation, monopoly of transportation, exemption from duties, advances on the cost of rails, all these are special conditions granted to this company in addition to the enormous subventions I have referred to were peculiar to its case, and not applicable to the case of the Grand Trunk Pacific. Then, we have another contrast of the conditions between the two roads. When the government had paid this \$25,000,000 in money, when it had handed over roads costing \$35,000,000, and when it had given these 25,000,000 acres of land for the purpose of aiding in the construction of 1,906 miles of road, the control of the government ceased. The road may at any time pass beyond the control of the government altogether. It may pass into the hands of foreign owners. It may be gathered in by a Morgan syndicate. There is nothing to ensure to this country the possession of the road as a Canadian highway. It may be secured by foreign companies at any time and there is no guarantee to prevent such a consummation. Such is not the case with the Grand Trunk Pacific. The control of the government over the Grand Trunk Pacific is continuous. The Grand Trunk Pacific is bound to remain a Canadian road. It can never be made anything else. It must continue under Canadian control and we ensure to ourselves the control of one transcontinental line at least, which is our line, controlled by ourselves, and which can

never pass from our possession. Then, the Canadian Pacific Railway gave no running rights to anybody over any portions of its line—the Grand Trunk Pacific Railway must share its line from ocean to ocean at the dictation of the government, and under the direction of the government with other lines.

I repeat that in all this, no odium attaches to the Canadian Pacific Railway officials. They simply made the best bargain with the government they could. They made a good bargain, they displayed their astuteness in doing it. They have created a property of enormous value; it is the grandest railway speculation that was ever entered into; it is the most brilliant of successes in the railway history of the world. The Canadian Pacific Railway magnates, if I may term them so, the Canadian Pacific Railway managers, were not to blame; the odium, if any, attaches to the government that granted these conditions and failed to safeguard the interests of the people in granting them.

Of course, at the time the Canadian Pacific Railway syndicate bargain went through, the conditions were different from what they are to-day. The North-west was then largely a wilderness; the success of a transcontinental road was problematical, and it was useless to suppose that we could then secure terms as favourable as we can to-day when that country is better known, and after the fact has been demonstrated that a transcontinental line can secure business, and business adequate to the payment of dividends upon the cost of construction. Still, it was quite evident at that time, and it was maintained by the then opposition, that the terms which were given to the Canadian Pacific Railway were extravagant. It was pointed out then that we were practically building a road for the Canadian Pacific Railway and handing it over to them, and more than that, in point of fact that we might as well build the road ourselves and own it, and then sell it if necessary. The Mackenzie scheme was to build a road from Lake Superior to Selkirk on the Red river. They had that road nearly completed when this contract was made. They were proceeding to extend that road to the Yellow Head pass and 100 miles were under construction; they were building a branch line from Selkirk to Pembina to connect with the American lines. We held, in discussing the terms of this contract, that if the Mackenzie road were pushed vigorously to Yellow Head pass we would then be in a position to secure the construction of the entire line, and be able to pass over to the company as a bonus the portion of the road constructed. No doubt this could have been done. If it had been done the cost to the country would not have been one-third what it proved to be under the scheme that was adopted by the Conservative government.

Now, these are contrasts between the policies of the two governments with reference to a transcontinental line, contrasts as to the difference that exists between the subvention granted in the one case and in the other. In the one case \$135,000,000, counting the land at less than its market value to-day—in the other case, \$14,500,000 in round numbers; the excess in favour of the promoters of the Canadian Pacific Railway being \$120,500,000.

Now, it was not necessary to have granted these conditions to the Canadian Pacific Railway. It was not necessary for the reason that we received a better offer. We received an offer at the time this contract was under consideration to build this road for 3,000,000 acres of land less, for \$3,000,000 less subsidy, the road to be the standard of the Union Pacific as it then existed, instead of the standard of the Union Pacific as at first constructed, and the difference was very great. That offer asked no exemption from taxation; that offer asked no exemption from duty on materials; that offer left the road subject to the government control of its rates; that offer left the road subject to the purchase by the government on conditions favourable to the government. All these conditions in the second offer made it infinitely better for the country than the first offer.

Mr. CLANCY. That was a bluff offer made by the hon. gentleman's friends at the last moment.

Mr. CHARLTON. This bogus offer from a bogus syndicate was accompanied by a cash deposit of \$1,395,000.

Some hon. MEMBERS. Hear, hear.

Mr. CHARLTON. It was \$395,000 more than was required of the Canadian Pacific Railway, and the best way to have demonstrated that this was a bogus offer was to have accepted it and swiped in the money if it was bogus.

Some hon. MEMBERS. Hear, hear.

Mr. CHARLTON. Who made this offer?—W. P. Howland, of Toronto; A. R. McMaster, of Toronto; H. H. Cook, of Toronto.

Some hon. MEMBERS. Hear, hear.

Mr. CHARLTON. Yes, a gentleman of wealth and enterprise.

An hon. MEMBER. All Liberals.

Mr. CHARLTON. Yes, I am thankful to say they were—James McLaren, of Ottawa, a millionaire; William Hendrie, of Hamilton; John Stuart, of Hamilton; John Walker, of London; D. MacFie, of London; K. Chisholm, of Brampton; John Proctor, of Hamilton; P. S. Stevenson, of Montreal; A. T. Wood, of Hamilton; A. W. Ross, of Winnipeg; George A. Cox, of Peterborough.

Some hon. MEMBERS. Hear, hear.

Mr. CHARLTON. A gentleman of wealth, a gentleman able to subvert his undertakings to the extent of hundreds of thousands of dollars at any moment—P. Howland, Toronto; P. Larkin, St. Catharines; Allan Gilmour, of Ottawa, a millionaire lumberman; John Carruthers, of Kingston; W. D. Lovitt, of Yarmouth; Alexander Gibson, of Fredericton, a millionaire lumberman of New Brunswick; Barnet & McKay, of Renfrew. There were at least five names upon this list of gentlemen who were millionaires. This list of names could have furnished all the security and all the money that was necessary to carry through this project successfully with the aid they asked from the government. As an evidence of good faith they put up \$500,000 in the Bank of Ottawa, \$500,000 in the Bank of Commerce, and \$395,000 in other banks. They put up that money as evidence of good faith, and they put up \$395,000 more than the amount required by the government from the Canadian Pacific Railway syndicate. And yet, some gentlemen tell us that this was a bogus offer. Well, there is no other way to exonerate themselves from the odium that ought to attach to them for having refused this offer, except to put in that threadbare plea.

Some hon. MEMBERS. Hear, hear.

Mr. CHARLTON. Now, Mr. Speaker, as to the character of this second syndicate, how would it compare with that of the first syndicate. Let us see who were the signers of the contract with the Canadian Pacific Railway. There was Charles Tupper—

Some hon. MEMBERS. Hear, hear.

Mr. CHARLTON. Was he a very heavy millionaire at the time? I suppose he could pay his debts; I do not know how much more he would have had then. There was George Stephen; George Stephen was probably a man of considerable means, connected with the Bank of Montreal. There was Duncan McIntyre; he was a millionaire afterwards, he was not a millionaire at this time; there was J. S. Kennedy, R. B. Angus, J. J. Hill (per pro George Stephen), Morton, Rose & Co., and Kohn, Reinach & Co. The second offer was made by a number of gentlemen all of whom were Canadians. Here we have in this first offer: Mr. Hill, an American.

Mr. HENDERSON. A Canadian.

Mr. CHARLTON. He lives at St. Paul—Morton, Rose & Co., English bankers; Kohn & Reinach, Paris bankers. This second offer was signed by men of greater weight, men of greater responsibility, men who were Canadians. In addition to the other things I have enumerated, that offer would have put this road under Canadian control, it

stated that the directors should be British subjects, and it provided to secure the country in every respect with regard to the management of the road. Their offer was millions and millions of dollars better than the offer of the first syndicate. The stipulation that they should not be exempt from taxation would of itself have conferred enormous advantages on the settlers of the west. In every respect that offer was one that it would have been in the country's interest to accept. It would have left the company under supervision in the matter of rates, which were entirely beyond our control in the case of the Canadian Pacific Railway.

But enough, Mr. Speaker, of comparisons. All of these serve to prove the superiority of the Grand Trunk Pacific scheme over any other scheme that has been put before the people of this country, and to place that superiority in the most striking light. Now, Sir, in their criticism upon the obligations that are to be incurred under this arrangement, I ask my hon. friends, in the first place, to remember that the money expended on a road which is to be leased by a responsible company at a rate of interest that will carry the cost of its construction, is not an addition in the proper sense to our obligations. I ask them to bear in mind that the guarantee of the bonds on the mountain section of the western division and the cost of the division from Winnipeg to Moncton, are not properly speaking an increase to our debt; because we have, in the first place, the obligation of a responsible company to pay the interest, and we have at the end of fifty years, when that property reverts to us, a property whose value will be vastly more than the cost of the road or the obligations which the road represents. I ask these gentlemen to bear in mind, in the second place, that this is a country that is to have great expansion of its interests, its property, its population, its resources, its tax paying power, in the near future. We are providing, not for the present, but for the future. We are entering now upon obligations which will culminate five years hence, when the road which these obligations create will be greatly needed—will be, in point of fact, imperatively necessary; and when the period of fifty years terminates, what may we reasonably expect will be the population of Canada? If it increases at the rate of 20 per cent each decade, it will in 1951 be 15,000,000. If it increases at the rate of 25 per cent in each decade it will be 18,000,000. I see no reason why our population should not increase more rapidly than at the rate of 25 per cent in each decade. During the first four decades of the United States their population increased at the rate of not less than 30 per cent, and yet up to the year 1825 the addition to their population was very small, amounting to 250,000 in a period of two or three decades. We shall have the natural increase of a vigorous population,

and in addition an enormous immigration from the British Isles, from Scandinavia and other parts of Europe, and a still greater immigration from the middle and western portions of the United States. So that we are building for the future, and we are looking forward to the time when the resources and the population of this country will be three or four times what they are at the present moment.

What may we expect will be the increase of our agricultural productions? This year the area in wheat amounted to 2,500,000 acres in Manitoba and 750,000 acres in the Territories, and we expect to reap from this land a crop of over 60,000,000 bushels. How much more wheat land have we? At a most moderate calculation, we have 250,000,000 acres of wheat-land west of Lake Superior. If we produce 60,000,000 bushels this year from 3,250,000 acres of land, how many millions of bushels are we likely to produce when that country is populated and the greater part of the soil is brought under cultivation, and when we increase the cultivable area to sixty or seventy or perhaps a hundred million acres? Let hon. gentlemen sit down and figure that out. We are confronting great changes in our condition, great expansion in our business. We cannot realize how great that expansion will be, and we are making provision for it in the most moderate manner, instead of recklessly and with undue haste. As I have said, that country is absolutely dependent on railway communication. It has no natural outlet to the sea. For all the productions of that vast region of 250,000,000 acres of wheat-land, we must provide transportation by rail, and if we are going to keep up with the procession, we must provide it pretty fast. I think the ex-Minister of Railways and Canals was right when he said that there were men in the audience which he addressed at Vancouver who would live to see three and possibly four transcontinental lines in Canada.

As to the question whether this railway will pay, I remember that question was debated when the Canadian Pacific Railway scheme was under consideration, and very grave doubts were expressed as to whether it would. Well, the Canadian Pacific Railway Company made its annual statement a short time ago. Its total earnings last year were \$43,957,000, its expenses \$28,120,000, and its net earnings \$15,836,000. It has just declared a dividend of 6 per cent. I can remember a few years ago when its stock was worth 40. The day before yesterday, when the 6 per cent dividend was declared, its stock was worth 126, and that at a period when the bottom has been knocked out of stocks, and the best paying stocks are at a lower point than they have been for many years.

Mr. HYMAN. What was it sold at originally?

Mr. CHARLTON. I think at 25 cents on the dollar, all but \$5,000,000, which was sold at par. So I judge from this that the transcontinental line financially will have an assured success. It will secure the trade of the North-west to our ports, if that can be secured by any railway; and if it is made essentially a first-class road, with a four-tenths per cent grade, heavy rails and perfect construction, it will be able to compete with the water routes in bringing down grain for shipment to Europe at our own seaports.

The contrast between the policies of the two governments, in relation to the first transcontinental line, and in relation to the transcontinental line now under consideration, is so marked, so striking, that I do not see how any man of dispassionate judgment can fail to approve of the scheme which we have under consideration. This scheme, Mr. Speaker, notwithstanding all that may be said in regard to it, has been thoroughly matured. It bears internal evidence of that fact. Let the ablest lawyer in this country scrutinize this agreement and seek to pick flaws in it, and they will be of the most infinitesimal character if he finds any at all. The interests of the government are safeguarded in the most perfect and complete manner. The only surprise to me is that a great railway corporation, with the resources which the Grand Trunk possesses, should have consented to be bound in the manner in which it is by the stipulations of this agreement. It is folly to contend that this is not a contract in the interest of the people of Canada. It is folly to contend that this is not a contract that reflects great credit on the gentlemen, whoever they are, who matured and perfected it. We are told that we should have waited for surveys, that we should not have been in a hurry, that we should have known more definitely where the road should go, and so forth. Sir, we have had surveys. We have a knowledge of the country in a general sense, and we know in a general way its character for railway construction. There was no time to lose in going forward. We have to go on with surveys as it is, there is no doubt about that; but we have perfected an arrangement which we might not have been able to make twelve months hence.

We have got into this arrangement a great company, which perhaps might then see the matter in a different light, or possibly might not be in a position to take hold of the contract and enter into the stipulations it has done. When you have a good thing take it. Time and tide wait for no man, and if you neglect to take at its flood the tide which will lead you on to fortune, the opportunity may never again present itself. Do not be like the Irishman, who just after he landed in America, saw a dollar on the ground and passed it by with scorn because he was going to a section of the country

where money grew on the bushes. I think that the perfection of this contract reflects unquestionably great credit on my right hon. friend the Premier of this Dominion. He may fairly claim, I apprehend, that this is his scheme. I apprehend that he may claim credit to a large extent for the consummation of this bargain with the Grand Trunk Pacific Railway. If that be the case, I believe that this will be such a monument as any public man might desire to have to his memory when he passes from this stage of action. The right hon. gentleman considered all the suggestions of the various schemes presented. He considered them courteously, fully and fairly, and I think I may say that in meeting these various presentations of these various schemes or opinions, he has left those who presented them satisfied that he was right, and willing to accept his opinion. This I believe to be the case in every instance except one—the case of my hon. friend the ex-Minister of Railways. The right hon. gentleman has shown throughout his firm belief in a national road. That has been with him the paramount consideration—a road which would serve national purposes, which would give an outlet on Canadian soil through Canadian ports for Canadian productions in the far west. It remains to be seen whether this road will do all that is predicted of it. If it be constructed in a thoroughly first class manner in every respect, I believe it will. And when both the government and the Grand Trunk Pacific Railway have to face the alternative that it be not so constructed, it will not accomplish what is expected, I believe they will see that it is built in such a way that it will be capable of producing the results we all hope for. No doubt there are many gentlemen who would throw cold water on our aspirations. We will perhaps have reason to compare these men with the late DeWitt Clinton, who, when in 1817, he was promoting the construction of the Erie canal, which revolutionized the commercial history of New York and made that city a great seaport, was ridiculed and assailed by lampoons and criticisms about Clinton's ditch from Albany to Buffalo. Well, Sir, Clinton's ditch was a nation maker. It affected the destinies of a great people in the west, just as the Laurier road will do for great districts of this country.

We are incurring, of course, heavy obligations, but they are moderate in view of what will be realized from the expenditure. In the abstract, however, they are heavy obligations, and we will become responsible for a large sum of money. But we will have an asset which will represent something. We will have an asset of great and ever increasing value in the transcontinental road. It will be money well expended. It will be a judicious investment which will not, after the first seven years, bear upon the resources of the country. The future

will unquestionably justify this expenditure. We have in the past constantly underrated our potential sources of power. We have failed to realize that we have resources for the creation of a great nation. We have failed to realize that we have the room and the soil to produce food for 100,000,000 people. We have not allowed ourselves to rise to the level of the destiny that awaits us and the possibilities within our grasp. Today our conceptions of the future cease to be a dream, hazy, indistinct and, perhaps, fantastic. Conditions confront us, the outcome of which we can measure and determine—conditions as to the extent of our arable land, and mineral resources, and the certain influx of population from abroad. All these conditions we can measure and understand. We know that a judicious expenditure will be cheerfully borne by future generations, and that should we fail to do the work we are called on to perform, the future will blame us for our neglect to grasp

the great possibilities of this immense country. Under all these circumstances, with a rosy future expanding before us—and we can look down the vista and see within a century fifty million or sixty million under our government—with this future expanding before us, are we not haggling in a penny-wise pound-foolish manner in standing here and criticising a policy which proposes to give this country a great national road from ocean to ocean—a road which will pass by a direct route from Quebec to the west, a road which will pass through 1,700 miles of rich and undeveloped territory, and from which branch lines will extend to the Yukon and in various directions for the development of this vast country. Shall we not be conscious of what is before us, shall we not realize our future and reach forth our hand to grasp our destiny by carrying out the sound policy now submitted to us?